

# **VOCATIONAL REHABILITATION PROGRAM FEDERAL FY 2014 MONITORING AND TECHNICAL ASSISTANCE GUIDE**



**U.S. DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION AND  
REHABILITATIVE SERVICES  
REHABILITATION SERVICES ADMINISTRATION  
STATE MONITORING AND PROGRAM IMPROVEMENT DIVISION**

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# **I. The Federal Mandate and Scope of the Review**

## **A. The Federal Mandate**

Section 107 of the Rehabilitation Act of 1973, as amended (Rehabilitation Act), requires the Commissioner of the Rehabilitation Services Administration (RSA) to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Rehabilitation Act to determine whether a vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under Section 101 of the Rehabilitation Act and with the Evaluation Standards and Performance Indicators established under Section 106. To fulfill this requirement, RSA developed this Monitoring and Technical Assistance Guide (MTAG), through which it will assess improvements in the performance of the VR program, including those resulting from innovative practices, as well as compliance with pertinent federal programmatic and fiscal requirements.

## **B. Scope of the Review**

### **1. General**

Beginning in federal fiscal year (FY) 2012 and ending in federal FY 2016, the State Monitoring and Program Improvement Division (SMPID), within RSA, implemented a new monitoring cycle to review the administration and operation of the 70 VR programs not reviewed during the pilot of the process conducted during federal FY 2011. Consequently, SMPID again will review 14 VR agencies during federal FY 2014, and roughly an equal number in each of the subsequent fiscal years during this cycle.

The specific programs covered by this MTAG include:

- the VR program, established under Title I of the Rehabilitation Act; and
- the supported employment (SE) program, authorized pursuant to Title VI, Part B, of the Rehabilitation Act.

In FY 2014 and subsequent fiscal years, staff of the SMPID Independent Living (IL) Unit may select one to two states in which to monitor the two formula grant programs authorized under Title VII of the Rehabilitation Act, including the state IL services (SILS/IL Part B) program and the IL services for older individuals who are blind (OIB) program, separately from the review of the VR and SE programs using a distinct protocol and process. These states may or may not be selected from among those in which monitoring of the VR and SE programs will occur.

## **2. Focus Areas**

SMPID will include in its monitoring of the VR and SE programs three focus areas to be used when reviewing the performance and compliance of each agency. These focus areas cover:

- performance of the VR program, including improvements resulting from innovative practices;
- transition services and employment outcomes for youth with disabilities, including improvements in performance resulting from innovative practices; and
- allocation and expenditure of VR and SE program funds.

The nature and scope of, along with the activities to be conducted under, each focus area is contained in Sections III, IV and V, respectively, of this MTAG. As a result of the activities related to each of the focus areas, review teams may identify:

- emerging practices;
- recommendations to improve the performance of the VR program and its fiscal management;
- compliance findings and corrective actions to resolve the findings; and
- the need for technical assistance that will enable VR agencies to improve performance or carry out corrective actions.

## **3. Activities Related to Prior Reviews**

RSA review teams will conduct activities designed to gather information regarding the progress of VR agencies toward addressing observations and resolving findings identified in prior monitoring cycles. Although teams will review a VR agency's progress toward the implementation of all corrective actions identified through prior monitoring activities, follow-up review activities will focus on those recommendations provided to the agencies to the extent that they are relevant to understanding a VR agency's efforts to improve its performance. These follow-up activities will not necessitate further analysis of the data associated with an observation or finding from prior reviews, except as may be related to the focus areas described below.

In preparation for this area of monitoring, teams will review issued reports from prior monitoring cycles, corrective action plans (CAP) developed as a result of those reports and reports of progress from the VR agencies related to the plans. Through the review process, teams will determine, in consultation with the VR agencies, whether they require additional technical assistance to carry out those recommendations they accepted or the corrective actions.

## **4. Emerging Practices**

While conducting the monitoring of the VR and SE programs, review teams will collaborate with the VR agencies, the State Rehabilitation Councils (SRC), and key stakeholders to identify emerging practices in the following areas:

- the improvement of VR and SE employment outcomes, including innovative collaborations/partnerships with other public agencies;
- transition;
- strategic planning;
- program evaluation and quality assurance practices;
- human resource development;
- the partnership between the VR agency and SRC;
- program and financial management; and
- outreach to unserved and underserved individuals.

RSA considers emerging practices to be operational activities or initiatives that contribute to successful outcomes or enhance VR agency performance capabilities. Emerging practices are those that have been successfully implemented and demonstrate the potential for replication by other VR agencies.

The monitoring reports will include a summary of the emerging practices identified during the course of the review and the link to the complete description of the practices on the RSA website.

## **5. Other Areas of Review**

In general, review teams will conduct monitoring activities related only to those areas of review described in subsections 2 through 4 above. However, teams may, after consultation with the VR agency and SMPID management, engage in monitoring activities directed toward the review of areas not covered through the application of this MTAG, if such areas are of significant concern and the VR agency would benefit from the provision of technical assistance through the monitoring process.

## **C. RSA Internal Collaboration**

To enhance efficiency within RSA with respect to the monitoring of formula and discretionary grant programs, staff of the SMPID and the Training and Service Programs Division (TSPD) will coordinate the identification of programs and agencies to be reviewed. TSPD may select, from among those states where VR programs are being reviewed in federal FY 2014 and future years, discretionary grant programs to be reviewed in the same states, e.g., In-Service Training grants under Title III of the Rehabilitation Act, the American Indian VR Services program under Section 121, and the State Grant for Assistive Technology program under the Assistive Technology Act of 1998, as amended. However, TSPD will not conduct its respective reviews simultaneously or coordinate monitoring activities with SMPID.

In addition, staff of SMPID and TSPD will share, when appropriate, the results of monitoring activities conducted by either division, for the purpose of enhancing and improving the delivery of technical assistance and support to state VR agencies and discretionary grantees. SMPID and TSPD staff also will work together with the VR agency and the Office of Special Education Programs and Rehabilitative Services (OSERS) and RSA technical assistance providers (e.g., the Technical Assistance and Continuing Education (TACE) centers) following the publication of

the final monitoring report to develop the Technical Assistance Plan (TAP) designed to enable the VR agency to carry out the recommendations and findings in the monitoring report (see Section II.G below for more information on the TAP).

## **II. Overview of the Review Process**

### **A. Selection of VR Agencies for Review**

From federal FY 2014 through federal FY 2016, SMPID will select the VR agencies to be monitored in each year from among the agencies remaining after the conduct of reviews conducted in FY 2011 through 2013, representing, as much as possible, a balanced number of VR agencies serving individuals who are blind and visually impaired, individuals with all other disabilities, and individuals with all types of disabilities (blind, general and combined agencies, respectively) from across the geographic regions of the United States. Approximately fourteen VR agencies will be monitored during each year. If a state has established a general and blind VR agency for the provision of VR services, both VR agencies will be reviewed in the same year. In such instances, a separate report will be issued to each agency.

Circumstances may require SMPID to conduct a review of a particular VR agency more than once during the monitoring cycle. These circumstances include, but are not limited to, requests from VR agencies for more immediate assistance pertaining to specific issues, the identification of issues requiring prompt attention from SMPID or the adverse impact on a VR agency's operations resulting from catastrophic natural disasters. SMPID is less likely to conduct a full monitoring review under such circumstances than it is to provide substantial technical assistance to meet specific and pressing VR agency needs.

### **B. Duration of the Monitoring Process**

The monitoring process for the VR agencies under review will begin and conclude within each fiscal year of the monitoring cycle, but is not intended to last the length of the entire fiscal year. Review teams and the VR agencies will discuss and agree as to when to begin the monitoring process at a time in the year that is most convenient to both the teams and the VR agencies. The process includes all preparation and planning, the conduct of an on-site visit, and the development and issuance of draft and final monitoring reports.

### **C. Stages of the Monitoring Process**

#### **1. Planning and Preparation**

Each VR agency selected for a monitoring review in FY 2014 will be contacted, when appropriate, by the review teams to begin planning monitoring activities. At this time, the review teams will:

- introduce the RSA team member who will lead the review, and the other members of the team who will participate in the on-site review;
- jointly with the VR agencies, select dates for the on-site visits;
- identify stakeholders who may participate in the review as appropriate, including SRC members, the Client Assistance Program and community rehabilitation programs; and
- contact representatives of the TACE centers to notify them of on-site review dates.

In preparation for the on-site visits, the review teams will conduct a series of teleconferences or video conferences as determined by the review teams and VR agencies to:

- discuss the monitoring process and the substance of the focus areas set forth in this MTAG with VR agency management;
- briefly review the results of prior monitoring reviews and identify any outstanding technical assistance needs;
- gather information pertinent to the focus areas of the review from representatives of the SRC and Client Assistance Program;
- obtain input concerning the technical assistance and continuing education needs of the VR agencies from TACE center representatives; and
- develop the agenda with VR agency management and personnel.

Additionally, the teams will review documents requested from the VR agencies related to each of the focus areas prior to the on-site visits. These documents may include, but are not limited to:

- policies and procedures related to the provision of transition services;
- fiscal information;
- sample monitoring reports of VR agency contractors; and
- written third-party cooperative arrangements (TPCAs) if used by the VR agency to obtain matching funds.

RSA review teams will use the information obtained through the review of these documents, the analysis of programmatic and fiscal data, and through the teleconferences/video conferences described above to identify, in collaboration with the VR agencies, on-site activities and develop the agendas. Every effort will be made to maximize the opportunity to prepare for and conduct substantive review activities prior to the on-site visit.

## **2. On-site Activities**

RSA review teams will schedule the on-site visits with each VR agency, accommodating as much as possible the schedules of VR agency management and personnel. The on-site review teams, consisting of at least two members from the review team (one program and one fiscal specialist) will engage in a variety of on-site activities, including, but not limited to:

- a brief entrance meeting to introduce review team participants and VR agency management and personnel, and to review the on-site agenda;
- a review of the CAP resulting from prior monitoring reports, when appropriate, and recommendations adopted by the VR agency from prior monitoring reviews for the purpose of obtaining current information regarding the progress toward the completion of corrective actions and recommendations, and to identify any ongoing technical assistance needs;
- the identification by the VR agency of emerging practices, which may involve site visits or meetings with key personnel related to these activities;
- activities related to the three focus areas covered by this MTAG;



- an optional, brief wrap-up meeting to discuss the next steps in the process, schedule the date and time of the follow-up teleconference/video conference (see below) and solicit input from VR agency management and personnel and other participants in the review concerning the conduct of preparation and on-site activities.

On-site activities may include, as noted above, site visits to schools, community rehabilitation programs, or other area offices necessitated by the review of the focus areas. These visits will generally occur within the surrounding geographic area of the state capitol, or the city in which the VR agency's primary administrative office is located.

The review team or the designated state unit (DSU) director may invite VR agency management and personnel, the leadership of the designated state agency (DSA) and the chairperson of the SRC to participate in both the entrance, and if one is scheduled, the wrap-up meeting. TACE center representatives also may participate in the entrance and wrap-up meetings conducted during the course of the on-site visits. It should be noted that the wrap-up meeting is optional, and that any staff from the DSA, DSU, or TACE are not required to attend, but may attend upon invitation, as deemed appropriate by the VR agency director. To make effective and efficient use of TACE grant funds, SMPID staff and the TACE representatives should explore the feasibility of participation in these meetings through means such as teleconference or video conference. TACE representatives may participate in other on-site monitoring sessions as observers as requested by the VR agencies.

Sections III through V of this MTAG specify other individuals, in addition to those identified in this paragraph, with whom the review teams may engage in discussions germane to the focus areas during the on-site visit, including:

- VR agency supervisors and counselors;
- state and local school district staff responsible for the provision of VR services to transition-age youths;
- the DSA director;
- other staff from the DSA responsible for fiscal or administrative oversight;
- commissioners of agencies for the blind or other stand-alone VR agencies;
- representatives of community rehabilitation programs and consumer advocacy groups; and
- state auditors.

In some cases, an on-site visit to the VR agency may not be possible. RSA review teams will conduct the monitoring review using all other methods described in this MTAG, including the expanded use of teleconferencing and document requests. Review teams will discuss with VR agencies how best to maximize resources under these circumstances in order to conduct the monitoring and provide technical assistance in accordance with Section 107 of the Rehabilitation Act and this MTAG.

### **3. Follow-up Activities**

Subsequent to the on-site visits, the review teams may require further documentation from the VR agencies to supplement information obtained prior to or during the visits. Additional

teleconferences may also be necessary to clarify any outstanding questions or concerns the teams may have, or to gather further detail about a particular issue.

Within twenty (20) calendar days after the end of the on-site visits, the review teams will conduct a follow-up teleconference or video conference with the VR agencies, other appropriate stakeholders, and the TACE center representatives to discuss preliminary program and fiscal findings and recommendations. Some findings may require review by the Department of Education's Office of the General Counsel, and hence may not be fully developed or available to share at this time. Review teams may also discuss any emerging practices, technical assistance needs, and performance trends identified during the on-site visit during this teleconference.

## **D. The Draft Report**

The review teams will develop draft reports that contain:

- a description of any emerging practices identified during the review;
- a review of the progress achieved toward the implementation of any outstanding corrective actions and/or recommendations adopted by the VR agency from prior monitoring reviews, and the identification of any related ongoing technical assistance needs;
- analysis and recommendations to improve performance pertaining to each of the focus areas;
- programmatic and fiscal compliance findings and corrective actions to resolve these findings; and
- a description of the technical assistance provided during the reviews.

Review teams will complete and provide the draft monitoring reports to the VR agencies within 60 calendar days from the conclusion of the on-site visits. The VR agencies will then have 21 calendar days to submit written responses to the draft reports directly to the teams responsible for the development of the reports. VR agencies may request an extension of this period by submitting a written justification to the review teams, which then will notify the VR agencies if, and for how long, the requests are approved. The VR agency responses should include:

- the identification of factual errors;
- responses to any programmatic or fiscal recommendations, compliance findings and corrective actions;
- supporting documentation or data as needed to substantiate VR agency responses; and
- requests for technical assistance to assist the agency to carry out the recommendations and corrective actions identified in the draft reports.

The review teams may engage in discussions with the VR agency management and personnel to assist the agencies with the development of the responses to the draft reports. In addition, the review teams may conduct teleconferences with the VR agencies to clarify information included in the VR agency responses and request additional documentation to support statements made in the responses. Preliminary discussions may also occur at this time between the agencies and the

review teams as to whom they believe will best be equipped to provide any technical assistance that is identified as a result of the review.

The review teams also will provide the draft reports to the SRCs for their information only. The SRCs should not submit responses to the drafts and, if received, the responses will not be included in the final reports. The SRCs should not further distribute the draft reports to persons outside the Councils.

## **E. The Final Monitoring Report**

Based on the information provided by the VR agencies in response to the draft reports, the review teams will develop the final monitoring reports, making any corrections as needed. The review teams may also modify or eliminate an observation, recommendation, compliance finding or corrective action after consultation with SMPID management and the Office of the General Counsel as warranted.

In addition to the information included in the draft reports, the final reports will contain the VR agency responses to the drafts and the requests for technical assistance that will enable the agencies to carry out the recommendations and corrective actions. Documentation or exhibits submitted by the VR agency in support of responses to the draft report will be included in the final report at RSA's discretion. Review teams may request additional assurances or documentation from the VR agencies in connection with programmatic or fiscal findings. The final reports will indicate when such material is required.

Once completed, the review teams will provide electronic copies of the final reports to the VR agencies and the SRCs. SMPID will then publish the reports on the RSA website and the teams will notify the VR agencies, SRCs, TACE center representatives, and other stakeholders involved in the review process of the location of the reports on the website.

## **F. Corrective Action Plans**

Within 45 calendar days from the issuance of the final reports, VR agencies, jointly with the review teams, will develop the corrective action plan (CAP) to address any compliance findings identified through the monitoring process. RSA does not expect that compliance findings will be resolved in 45 days, but that the VR agency will develop a plan to address the compliance issues identified in the final report. To enable the VR agencies to more easily develop the plans and to promote consistency in the information they contain, all CAPs for the federal FY 2014 - 2016 review cycle will be developed, approved, and tracked through RSA's website. The content of the CAPs will include:

- programmatic or fiscal findings as stated in the final report;
- corrective actions required to resolve the findings contained in the final reports;
- specific steps the agencies will take to complete the corrective actions;
- timelines within which the agencies expect to complete each step of the corrective actions; and
- target dates for resolution of the findings.

Review teams will transmit to VR agencies instructions for the submission of their CAPs through the RSA website. Once the CAPs are approved and implemented, VR agencies will utilize the RSA website to provide quarterly progress reports on the implementation of the CAPs. VR agencies should plan to submit the first CAP progress report no later than 30 calendar days after the end of the first full quarter following the approval of the CAP, and then 30 calendar days after each subsequent quarter is concluded, until all corrective actions are completed and the CAP is retired.

## **G. Technical Assistance Plans**

No later than 90 calendar days following the publication of the final monitoring reports, the review teams will facilitate teleconferences or video conferences with representatives of the VR agencies and the TACE center, to develop technical assistance plans (TAPs) addressing the technical assistance needs identified by the VR agencies associated with the recommendations for program improvement and findings of the review. The review teams will also invite the TSPD staff project officer for the TACE centers to participate in these discussions as available. During the teleconferences, the participants will discuss the details of the identified technical assistance needs, identify and assign specific responsibilities for implementing technical assistance and establish initial timeframes for the provision of the assistance. The review teams will distribute draft TAPs to the participants for review, making necessary revisions based on their input prior to the approval of the plans. The review teams will convene teleconferences with the VR agencies and TACE center representatives, at least once a year, to review progress on the TAPs and discuss any further technical assistance needs that may have emerged. The TSPD project officer will participate in these teleconferences as available.

## **H. Involvement of Consultants in the Review Process**

It is within the discretion of the VR agencies to involve contracted consultants, not associated with the TACE centers, in any or all stages of the review process, including the exchange of information and conduct of teleconferences/video conferences in preparation for the on-site visit, meetings held on-site, follow-up teleconferences, the development of draft reports and responses to those reports, as well as the development of CAPs and TAPs. Nonetheless, the review teams will direct all communication to VR agency management and staff, as well as to the TACE center representatives and other stakeholders when appropriate, and not to the consultants. It is the responsibility of the VR agencies to share information with the consultants throughout the course of the review as they deem necessary and consistent with their involvement.

## **I. Evaluation of the Review Process**

All participants in the federal FY 2014 monitoring process, including VR agency management and personnel, SRC members, the Client Assistance Programs, TACE centers, and other stakeholders, may, at any point in the monitoring process, provide written comment and suggestions for improvement of the process to RSA.

### **III. Focus Area – Performance of the Vocational Rehabilitation Program**

#### **A. Nature and Scope**

Through implementation of this focus area, RSA will assess the use of VR program resources to achieve quality employment outcomes by conducting an in-depth and integrated analysis of core VR program and fiscal data. The analysis will be based on a review of the fiscal and programmatic data contained in Tables 2.1 through 2.7 described below, and found in Appendix C of this MTAG.

The analysis is intended to serve as a broad overview of the VR program administered by the VR agency. It should not be construed as a definitive or exhaustive review of all available VR and supported employment (SE) program data. The data in Tables 2.5 through 2.7 generally measure performance based on individuals who exited the VR program during the most recently completed five-year period for which data are available. Consequently, the tables will not provide complete information that could otherwise be derived from examining open service records. As such, the analysis will not necessarily capture all possible programmatic or fiscal trends. In addition, the data included in Tables 2.5 through 2.7 pertain to all individuals applying for VR services and the outcomes they achieved. Data and performance trends related to the provision of services to, and the outcomes achieved by, transition-age youth will be examined through implementation of a separate focus area described in Section IV of this MTAG.

Tables 2.1 through 2.4 provide a fiscal profile of the VR agency and include data related to the total federal funds available to it under the VR program, non-federal contributions (matching funds), maintenance of effort (MOE), program income, carryover, and program expenditures. RSA's review of this fiscal information will provide context for its analysis of the data contained in Tables 2.5 through 2.7 describing the number of individuals participating in the various stages of the VR process, the number and quality of employment outcomes, the services provided to eligible individuals and the types of disabilities experienced by individuals receiving services. RSA also will compare the performance of the VR agency under review with that of all VR agencies of similar type (i.e., combined, general and blind) as appropriate.

Through its monitoring, RSA will examine the relationship of these data to each other in order to form its analysis. For example, RSA will assess the impact of the services provided to eligible individuals and the employment outcomes they achieve as measured by hours worked, earnings and the receipt of other benefits. Also, the examination of data related to the percentage of individuals served with particular types of impairments may be indicative of decisions made by VR agency management based on the results of the statewide assessment and other information, and may be reflected in the services provided and the outcomes achieved. These are just two of the areas RSA may explore as a result of its review of the data used to construct the analysis that will appear in the final report.

In addition to data tables, the review teams will use a variety of other resources to better understand the performance trends indicated by the outcomes measured. Other resources may include, but are not limited to some of the following:

- agency policies and procedures related to the provision of VR and SE services;
- VR State Plan attachments describing goals and priorities pertaining to the performance of the VR program; and
- performance trends identified in prior monitoring reports issued pursuant to Section 107 of the Rehabilitation Act.

The review teams will share the data with the VR agency prior to the on-site visit and solicit information throughout the review process explaining the performance trends demonstrated by the data. Specifically, the review teams may meet with:

- VR agency director;
- VR agency managers and supervisors;
- VR counselors;
- VR agency fiscal officers and personnel; and
- representatives of the SRC, the Client Assistance Program and other VR program stakeholders.

The review of the data contained in Tables 2.1 through 2.7, along with information obtained during the course of the monitoring activities regarding innovative practices engaged in by the VR agency, such as collaborations with other public agencies, community rehabilitation programs and employers, that led to improved performance, or information concerning barriers to program improvement, will form the basis for RSA's analysis. As a result of its analysis and discussions with key VR agency officials and personnel, RSA will develop recommendations intended to assist the VR agency in its efforts to improve identified areas of programmatic and fiscal performance. Compliance findings will not be generated by the analysis, unless policies or procedures reviewed in conjunction with the performance of the VR and SE programs are found to be out of compliance with federal requirements governing the VR program or its fiscal management. The VR agency will report to the review team, on a quarterly basis, progress toward implementation of the recommendations developed following discussions with the team and contained in the monitoring report.

The review teams may provide technical assistance to a VR agency during the course of monitoring that will enable it to improve programmatic and fiscal performance. This technical assistance will be described in the monitoring report. The VR agency also will identify technical assistance needs resulting from the development of recommendations for program improvement, which will be included in the technical assistance plan referenced in Section II of this MTAG.

## **B. Performance of the VR Program**

### **1. Fiscal Profile Tables**

#### **Expenditures and Federal Award Data**

**Resources:** Fiscal Data Table 2.1 – VR Resources and Expenditures

Table 2.1 includes the total amount of federal funds available to the VR agency and VR program expenditures over the most recent five-year period for which data are available. The table details

the degree to which a VR agency was able to access the total amount of the federal awards made during each year of the period under review. The data used were reported on the VR agency's Federal Financial Reports (SF-269 and SF-425) and were based on RSA formula grant calculations. Data enclosed in parentheses indicate a negative number.

**Sample questions to be used, as appropriate, to analyze performance:**

1. To what extent was the agency able to access and utilize the formula award amount during the period of the review?
2. What circumstances led to a difference between the formula award amount and the net award amount?
3. What trends in the amount of resources available to the VR program can be seen over the five-year period shown in Table 2.1?
4. What innovative strategies has the state VR agency employed to improve managing and tracking VR financial resources? Is there a discernible impact on the performance of the VR agency as a result of these innovations?

**Match and Maintenance of Effort**

**Resources:** Fiscal Data Table 2.2 – Non-Federal Share and Maintenance of Effort

Table 2.2 includes data demonstrating the degree to which the VR agency met the VR program matching and MOE requirements. The data used were reported on the VR agency's Federal Financial Reports and also include information provided by the VR agency in response to RSA's document request. Data enclosed in parentheses indicate a negative number.

**Sample questions to be used, as appropriate, to analyze performance:**

5. What are the agency's sources of match? How have the amounts from various sources changed during the period of the review?
6. How has the availability of non-federal share impacted on the VR agency's ability to meet its MOE requirement?
7. What trends in the availability and utilization of non-federal share can be seen over the five-year period shown in Table 2.2?

**Federal Program Income and Carryover**

**Resources:** Fiscal Data Table 2.3 – Program Income

Table 2.3 includes federal program income and carryover data obtained from the agency's Federal Financial Reports.

**Sample questions to be used, as appropriate, to analyze performance:**

8. How has the VR agency used program income resources in the VR program?
9. What percentage of the VR agency's federal award is carried over? How does the VR agency manage the amount of funds available for carryover?
10. What trends in program income and carryover can be seen over the five-year period shown in Table 2.3?

**VR Agency Expenditures**

**Resources:** Fiscal Data Table 2.4 – RSA- 2 Expenditures

Table 2.4 contains expenditure data obtained from the VR agency's VR program Cost Report (RSA-2). Expenditures reported on the RSA-2 represent those made in the fiscal year for which the form is submitted, as well as carryover from the prior fiscal year. Therefore, these figures may differ from the expenditures in Tables 2.1, 2.2, and 2.3, which are derived from Federal Financial Reports. Table 2.4 does not include all of the expenditure categories included on the RSA-2 form. Thus, the sum of the subcategories does not necessarily equal the total expenditures.

**Sample questions to be used, as appropriate, to analyze performance:**

11. What trends regarding total program expenditures and administrative costs can be seen over the five-year period shown in Table 2.4?
12. What trends regarding purchased services and services to groups can be seen over the five-year period shown in Table 2.4?

**2. Program Performance - Case Status Information, Outcomes, and Quality of Employment Measures**

The data contained in Table 2.5 provide a broad overview of the VR agency's performance during the five-year period under review, with particular attention given to the number and quality of employment outcomes achieved by individuals with disabilities in the state. Additionally, the data depict the number of individuals who were determined eligible for VR services, who were placed on a waiting list due to implementation of an order of selection, and who received services through the VR program. The data used in this table were provided by the VR agency to RSA on the Quarterly Cumulative Caseload Report (RSA-113) and the Case Service Report (RSA-911). The RSA-113 report is a quarterly submission that provides cumulative information at the end of the fiscal year. As such, the data covers both open and closed cases as reported to RSA at the end of the fiscal year. Data elements derived from the RSA-911 report, which contains only information on cases closed in the fiscal year covered by the form, does not include information related to those cases remaining open in the next fiscal year.



## **The VR Process**

**Resource:** Program Performance Data Table 2.5 – Case Status, Outcomes, and Quality of Employment Measures

Review the data contained in Table 2.5 to evaluate trends in the VR process, including: the total number of applicants over the five-year period, the number of individuals determined eligible, the number of individuals with developed individualized plans for employment (IPE) who were receiving services, and the percentage of individuals who were determined eligible and were not receiving services. Also review the data describing the number of individuals who were assigned to an order of selection waiting list for those years during which the VR agency was on an order during the five-year review period.

**Sample questions to be used, as appropriate, to analyze performance:**

13. What trends in the number of total applicants can be seen over the five-year period shown in Table 2.5?
14. What trends in the total number of eligible individuals can be discerned from the five-years of data shown in Table 2.5? How does this compare to the number of applicants over the same time frame?
15. Is the VR agency on an order of selection? If so, how many individuals in each year of the implementation of the order were on a waiting list? What implications for the VR agency's performance may be attributed to the implementation of the order?
16. Do the data in Table 2.5 show any significant changes in the number of individuals served under an IPE? Do changes in the number of individuals served on an IPE impact performance overall for the VR agency?
17. What trends does Table 2.5 show in the percentage of individuals who were determined eligible that receive no services? What are the projected performance implications for any such trends?
18. What innovative strategies has the state VR agency employed to address the flow of applicants through the various stages of the VR process? Is there a discernable impact on the performance of the VR agency as a result of the implementation of these strategies?

## **Outcomes and Quality of Employment**

**Resource:** Program Performance Data Table 2.5 – Case status information, Outcomes, and Quality of Employment Measures

Review the data contained in Table 2.5 related to the number and percentage of all individuals who did and did not achieve employment, the total number of individuals who received services and the employment rate. Also review the data pertaining to the number and percentage of individuals who achieved competitive employment and SE. To understand the quality of employment outcomes achieved, review the data indicating the average hourly earnings for

competitive employment outcomes, average hours worked per week for competitive employment outcomes, the number and percentage of individuals achieving competitive employment outcomes at 35 or more hours per week, and the number and percentage of individuals achieving competitive employment outcomes with employer-provided medical insurance.

**Sample questions to be used, as appropriate, to analyze performance:**

19. What is the rehabilitation rate for the most recent fiscal year? Analyze how the rehabilitation rate has changed over the five-year period. How does the VR agency's performance compare to that for all agencies of similar type for the most recent fiscal year?
20. For the most recent fiscal year, what are the number and percentage of individuals who achieved employment? Analyze how the numbers and percentages have changed over the five-year period. How does the VR agency's performance compare to that for all agencies of similar type for the most recent fiscal year?
21. What is the total number of individuals who achieved competitive employment in the most recent fiscal year for which data is available? Analyze how the number has changed over the five-year period. How does the VR agency's performance compare to that of similar type agencies for the most recent fiscal year?
22. Review the quality of competitive employment outcomes achieved by all individuals who exited the VR program, including, but not limited to, average hourly wages earned, hours worked per week and employer-provided medical insurance, for the most recent fiscal year. How have the numbers and percentages changed over the five-year period? How does the VR agency's performance compare to that of similar type VR agencies for the most recent fiscal year?
23. What trend in SE outcomes can be discerned from Table 2.5? What factors may be driving this trend? How does the trend for the VR agency compare to that for all similar type agencies nationally?
24. What innovative strategies has the VR agency employed to improve its performance in terms of the number and quality of employment outcomes for all individuals served?

**Select VR Services Provided**

**Resource:** Program Performance Data Table 2.6 – Select VR Services Provided for All Individuals

Table 2.6 describes 13 types of services received by individuals with disabilities during their participation in the VR program as reported through the RSA- 911. The service types were selected for inclusion in the table based on the frequency of service provision nationally and their potential impact on the ability of eligible individuals to achieve quality employment. Review the data for services provided to all individuals served for the most recent five years for which data is available.

**Sample questions to be used, as appropriate, to analyze performance:**

25. What are the five services most often provided (by percentage) for all individuals served?  
What are the five services least often provided (by percentage) for all individuals served?
26. How does the pattern of VR service provision as evidenced in Table 2.6 compare to other agencies of similar type? Are there any correlations between service provision trends and employment outcomes?
27. Has the state VR agency made significant changes to its VR service provision policies in the past five years? If so, do these changes in policy explain, in part, the trends in VR service provision shown in Table 2.6?
28. What innovative strategies has the state VR agency employed to improve the manner in which VR services are delivered? Is there a discernable impact on the performance of the VR agency as a result of these innovations?

**Select Measures for All Individuals Served by Type of Impairment**

**Resource:** Program Performance Data Table 2.7 – Select Measures for All Individuals Served by Type of Impairment

Table 2.7, separated into Tables 2.7a, 2.7b and 2.7c, contains data pertaining to three measures associated with the impairment types experienced by the individuals served by the VR agency during the review period. As reported to RSA through the RSA-911 data collection instrument, the three sub-tables include Table 2.7a - outcomes by Type of Impairment, Table 2.7b – Individuals Served by Type of Impairment, and, Table 2.7c - Employment Rate by Type of Impairment. Although Tables 2.7a through 2.7c contain data associated with individuals experiencing only a subset of all impairments reported to RSA, the data represent the largest percentage of individuals served by the VR program.

**Sample questions to be used, as appropriate, to analyze performance:**

29. Of the individuals with the five types of impairment, which are most commonly served by the VR agency over the five-year period? How does this compare to the national performance for similar type VR agencies?
30. Over the five-year period, are there any notable trends in the numbers or percentages of individuals served by impairment type?
31. Over the five-year period, by type of impairment, which cohort experienced the highest and lowest number and percentage of employment outcomes for the VR agency?
32. Is the VR agency's employment rate with any one of the five types of impairment significantly higher or lower than the other impairment types?
33. What innovative strategies has the VR agency employed to address trends and patterns in service delivery to different disability groups?

34. Does the VR agency have specific innovative strategies to address the employment rate of particular groups of individuals with disabilities?

## **IV. Focus Area – Transition Services and Employment Outcomes for Youth with Disabilities**

### **A. Nature and Scope**

Through the implementation of this focus area, RSA will assess VR agency performance related to the provision of transition services to, and the employment outcomes achieved by, transition-age youth and identify potential areas for improvement and associated strategies that may improve agency performance. For purposes of the VR program, “transition services” are defined as:

a coordinated set of activities for a student, designed within an outcome-oriented process, that promotes movement from school to post-school activities, including post-secondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, or community participation. The coordinated set of activities shall be based upon the individual student’s needs, taking into account the student’s preferences and interests, and shall include instruction, community experiences, the development of employment and other post-school adult living objectives, and when appropriate, acquisition of daily living skills and functional vocational evaluation. (Section 7(37) of the Rehabilitation Act)

Through this area, review teams will identify and assess the variety of transition services (including supported employment (SE)) provided in states, including community-based work experiences and other in-school activities, and post-secondary education and training, as well as the strategies used to provide these services. Review teams will also assess the degree to which transition-age youth achieve quality employment with competitive wages. In addition, review teams will gather information related to the coordination of state and local resources, emerging practices, and VR professional development activities. Specifically, teams will engage in the review of:

- the agency’s emerging practices in providing transition services;
- progress toward the implementation of recommendations accepted by the VR agency and the resolution of findings related to the provision of transition services identified in prior monitoring reports;
- outreach activities, referral sources and transition services;
- VR agency resources, collaborative efforts and partnerships with other federal, state and local entities; and
- third-party cooperative arrangements (TPCAs) and other cooperative agreements.

To assess a VR agency’s performance related to the provision of transition services (including SE) and the outcomes achieved, teams will review data from the past five federal fiscal years describing:

- the number and percentage of transition-age youth exiting the VR program at various stages of the process;
- the amount of time individuals are engaged in the various stages of the VR process, including eligibility determination, development of the individualized plan for employment (IPE) and the provision of services;
- the number and percentage of transition-age youth receiving specific services, including assessment, university and post-secondary training, vocational training, rehabilitation technology and job placement;
- the number and percentage of transition-age youth served by disability type; and
- the quantity, quality and types of employment outcomes achieved by transition-age youth.

The review teams may also compare a VR agency's performance on these data to that achieved by combined, general and blind agencies nationally, as appropriate.

The review teams will use a variety of resources and documents in the course of this monitoring, such as:

- VR agency policies and procedures related to the provision of SE and transition services;
- TPCAs and/or cooperative agreements;
- VR State Plan attachments related to coordination with education officials (4.8(b)(2)), arrangements and cooperative agreements for the provision of SE services (4.8(b)(4)), comprehensive system of personnel development (4.10), state goals and priorities (4.11(c)(1) and (4)), and quality, scope and extent of SE (6.3);
- corrective action plans and reports of progress on those plans; and
- previous monitoring reports issued pursuant to Section 107 of the Rehabilitation Act.

In gathering transition-related information, review teams may have discussions with:

- VR agency director;
- VR agency counselors and transition staff;
- VR agency transition coordinators;
- school personnel, including special education teachers and guidance counselors;
- transition-aged youth; and
- families.

Finally, Appendices A through C of this MTAG contain additional information that can be used, if applicable, to complete the review of transition services.

Appendix A: Examples of Findings from Prior Reviews

Appendix B: Third-Party Cooperative Arrangements Review Instrument

Appendix C: Data Tables

## **B. Review of Progress Made or Results Obtained from accepted Recommendations and Compliance Findings Regarding Transition Youth Identified during the Prior Monitoring Cycle**

**Resources:** The most recently published Section 107 Monitoring Report; Corrective Action Plan (CAP); and progress reports

The review teams will follow up on the implementation of recommendations accepted by the VR agencies, and compliance findings documented in the last monitoring review cycle (i.e., most recently published Section 107 Monitoring Report, CAP and progress reports) to determine whether they have been corrected, and whether additional technical assistance is needed. When appropriate, the review teams will share any changes with their colleagues in RSA and other offices within OSERS, as appropriate, to assist in the development of a national picture of transition services.

1. Describe progress made on accepted transition-related recommendations and any outstanding compliance findings from the previous Section 107 Monitoring Report.
2. Describe any technical assistance needed to respond to accepted recommendations and resolve outstanding corrective actions related to transition findings.

## **C. Transition Service Delivery**

Responses to questions in each of the areas below may be used in the development of the transition performance analysis.

### **Transition Service Delivery Structure**

3. Describe the VR's agency's service delivery structure and strategies for serving transition-age youth (e.g., dedicated transition staff, transition age range, co-location in the schools, and statewideness).
4. Identify the VR's agency's participation in interagency agreements or TPCAs. How do these relate to the VR agency's performance?
5. Identify and describe any innovative or emerging practices.

### **Outreach**

6. How does the VR agency conduct outreach to transition-age youth?
7. What groups/entities does the VR agency target in its outreach efforts (e.g., unserved and underserved groups, students and families, schools, and out-of-school youth)?
8. Are there strategies that have been particularly effective in attracting and engaging transition-age youth?

9. How does the VR agency determine whether outreach strategies are working?

### **Transition Policies/Procedures**

10. Does the VR agency have procedures for identifying and serving youth with disabilities that need transition services but are not receiving special education services from the school system or who may not be enrolled in school?

11. Describe any special initiatives to serve the following groups:

- out-of-school youth with disabilities;
- transition-age youth with disabilities not served in special education (Section 504);
- youth with disabilities served by community rehabilitation programs;
- youth with disabilities referred by the state's correctional system;
- youth with disabilities who are institutionalized, including substance abuse treatment; and
- youth with disabilities who reside in foster care.

12. Does the VR agency provide services under the "services to groups" authority? If so, please describe.

13. Does the VR agency have a policy that directs counselors to ensure that students have an Individualized Plan for Employment (IPE) in place before they leave the school setting?

14. Describe the IPE development process for transition-age youth, including any corresponding timelines.

15. Describe how community-based work experiences and internship opportunities are provided for transition-age youth with disabilities.

### **Goals**

16. Has the VR agency established specific goals and objectives or strategies in the VR State Plan for serving transition-age youth? If so, do the objectives or strategies reflect collaboration with the state education agency (SEA), local education agency (LEA), and other entities providing services to transition-age youth?

17. Does the VR agency have goals and objectives or strategies for serving transition-age youth that are not included in the VR State Plan? If so, please describe.

18. Are these goals and objectives measurable? Describe the outcomes that have been achieved as a result of these goals or strategies.



## **D. Review of Transition Performance Data**

The core transition data tables referenced in this section include trend data for the VR agency's performance over a five-year period. Additional VR agency data tables for transition-age youth, including tables for transition-age youth with SE outcomes, are available as well as a data table with standard occupational classification codes for transition-age youth. (See Appendix C)

### **Attrition and Type of Closure**

**Resources:** Transition Data Table 3.1 – Case Status, Outcomes, and Quality of Employment Measures for Transition-Age Youth

**Data:** Review the data contained in Table 3.1 to evaluate the number and percentage of individuals who exited at various stages of the VR process including: during application; during or after trial work experience or extended evaluation; without employment after IPE, before services; from order of selection (OOS) waiting list; without employment after eligibility, before IPE; with employment; and without employment.

**Sample questions to be used, as appropriate, to analyze performance:**

1. Is there a trend in the total cases closed over the five-year period?
2. What are the points in the service delivery process where the greatest number and percentage of transition-age youth are exiting?
3. Are a significant number and percentage of transition-age youth exiting in the beginning stages of the VR process (e.g., as an applicant)?
4. If the VR agency is operating under an OOS, are cases of transition-age youth being closed from the OOS waiting list?

### **Employment Outcomes**

**Resources:** Transition Data Table 3.1– Case Status, Outcomes, and Quality of Employment Measures for Transition-Age Youth

**Data:** Review the data contained in Table 3.1 related to the number and percentage of employment outcomes achieved and not achieved; employment rate; the number and percentage of SE outcomes; the number and percentage of competitive employment outcomes; average hourly earnings for competitive employment outcomes; average hours worked per week for competitive employment outcomes; the number and percentage of competitive employment outcomes at 35 or more hours per week; and the number and percentage of competitive employment outcomes with employer-provided benefits and medical insurance. Reference additional VR agency data tables for transition-age youth with SE outcomes, as relevant.

**Sample questions to be used, as appropriate, to analyze performance:**

5. What is the rehabilitation rate for transition-age youth for the most recent fiscal year? Analyze how the rehabilitation rate has changed over the five-year period. How does the VR agency's performance compare to the national average of similar VR agencies for the most recent fiscal year?
6. For the most recent fiscal year, what are the number and percentage of transition-age youth who achieved employment? Analyze how the numbers and percentages have changed over the five-year period. How does the VR agency's performance compare to the national average of similar VR agencies for the most recent fiscal year?
7. What is the total number of transition-age youth who achieved competitive employment in the most recent fiscal year for which data are available? Analyze how the number has changed over the five-year period. How does the VR agency's performance compare to the national average of similar agencies for the most recent fiscal year?
8. Review the quality of competitive employment achieved by transition-age youth, including average wages earned, hours worked per week and employer-provided benefits for the most recent fiscal year. How have the numbers and percentages changed over the five-year period? How does the VR agency's performance compare to the national average of similar VR agencies for the most recent fiscal year?

**SE Outcomes (as relevant)**

**Resources:** Transition Data Table 3.A.1– Supported Employment Outcomes for Transition-Age Youth

**Data:** Review the data on SE outcomes for transition-age youth related to the number and percentage of SE outcomes; average hourly earnings for SE outcomes; average hours worked per week for SE outcomes; the number and percentage of SE outcomes classified as competitive employment; the average hourly earnings for competitive SE outcomes; the average hours worked per week for competitive SE outcomes; the number and percentage of competitive SE outcomes at 35 or more hours per week; and the number and percentage of competitive SE outcomes with employer-provided benefits and medical insurance.

**Sample questions to be used, as appropriate, to analyze performance:**

9. What are the number and percentage of transition-age youth who achieved SE in the most recent fiscal year? Analyze how the numbers and percentages have changed over the five-year period. How does the VR agency's performance compare to the national average of similar VR agencies for the most recent fiscal year?
10. Review the quality of SE outcomes achieved by transition-age youth, including average wages earned and hours worked per week for the most recent fiscal year. How have the numbers and percentages changed over the five-year period? How does the VR agency's performance compare to the national average of similar VR agencies for the most recent fiscal year?

11. What percentage of SE outcomes achieved by transition-age youth is classified as competitive employment? For this subset of the SE outcomes, review average wages earned, hours worked per week, hours at 35 or more per week, and employer-provided benefits for the most recent fiscal year. How have the numbers and percentages changed over the five-year period? How does the VR agency's performance compare to the national average of similar VR agencies for the most recent fiscal year?

### **Services Provided**

**Resources:** Transition Data Table 3.2– Select VR Services Provided for Transition-Age Youth and Transition Data Table 3.A.2– Select VR Services Provided for Transition-Age Youth with SE Outcomes

**Data:** Review the data for services provided to transition-age youth (including services for transition-age youth receiving SE, as relevant) for the most recent five years for which data are available.

### **Sample questions to be used, as appropriate, to analyze performance:**

12. What are the five services most often provided (by percentage) for transition-age youth and for those transition-age youth with SE outcomes, and is this pattern of service delivery comparable to the pattern of service delivery in similar VR agencies?
13. What are the five services least often provided (by percentage) for transition-age youth and for those transition-age youth with SE outcomes, and is this pattern of service delivery comparable to the pattern of service delivery in similar agencies?
14. Has there been a trend related to the VR agency providing postsecondary or college or university training to transition-age youth (including transition-age youth with SE outcomes)? How does the VR agency compare to similar VR agencies in the percentage of transition-age youth or those transition-age youth with SE outcomes receiving college or university training?
15. Identify if there has been a change or shift in any other services provided over the last five years.
16. How does the VR agency track transition-age youth who participate in community-based work experiences or internships?
17. How are the services that were provided to transition-age youth with SE outcomes similar to, or different from, services that were provided to transition-age youth in general?

### **Type of Disability**

**Resources:** Transition Data Table 3.3– Select Measures for Transition-Age Youth Served by Type of Impairment

**Data:** Review the data for transition-age youth served by type of impairment, noting the percentages of the total individuals served and the employment rate of each type of impairment.

**Sample questions to be used, as appropriate, to analyze performance:**

18. Of the five types of impairment, which are most commonly served by the VR agency over the five-year period? How does this compare to the national averages for similar type VR agencies?
19. Over the five-year period, are there any notable trends in the numbers or percentages of individuals served by impairment type?
20. Over the five-year period, by type of impairment, which transition-age youth experienced the highest and lowest number and percentage of employment outcomes for the VR agency?
21. Is the VR agency's employment rate for transition-age youth with any one of the five types of impairment significantly higher or lower than the other impairment types?

**Eligibility**

**Resources:** Transition Data Tables 3.A.3 – Elapsed Time from Application to Eligibility for Transition-Age Youth Served and 3.A.6 – Elapsed Time from Application to Eligibility for Transition-Age Youth Served with Supported Employment Outcomes

**Data:** Review the elapsed times for transition-age youth to be determined eligible from the date of application to eligibility (review data for transition-age youth served and transition-age youth receiving SE) for the most recent five-year period for which data are available.

**Sample questions to be used, as appropriate, to analyze performance:**

22. Over the five-year period, is the VR agency consistently making eligibility determinations for transition-age youth as a whole and transition-age youth with SE outcomes within 60 days of application?
23. If the VR agency is not determining eligibility for these groups within 60 days of application, does the VR agency document and justify the need for an eligibility extension with the individual's consent?
24. Do the data reflect a trend over the five-year period in the VR agency's performance in making timely eligibility determinations for transition-age youth as a whole or for transition-age youth with SE outcomes?
25. Does the VR agency perform differently in making timely eligibility determinations for transition-age youth as a whole when compared to transition-age youth with SE outcomes? If so, what accounts for these differences?

## **Individualized Plan for Employment**

**Resources:** VR agency's policies and procedures; Transition Data Table 3.A.4– Elapsed Time from Eligibility to IPE for Transition-Age Youth Served; and 3.A.7– Elapsed Time from Eligibility to IPE for Transition-Age Youth Served with Supported Employment Outcomes

**Data:** Review the timeframe for transition-age youth from eligibility to development of an IPE (review data for transition-age youth served and transition-age youth receiving SE) for the most recent five-year period for which data is available.

### **Sample questions to be used, as appropriate, to analyze performance:**

26. Based upon the VR agency's standard for the timely development of the IPE after an individual has been determined eligible, e.g., 90 days, how is the VR agency performing over the five-year period in fulfilling its own standard?
27. Do the data reflect any trend over the five-year period in the VR agency's performance in developing IPEs in a timely manner for transition-age youth as a whole or for transition-age youth with SE outcomes?
28. Do the data reflect trends or differences over the five-year period in the timeframes for development of IPEs after eligibility determination for transition-age youth as a whole and those with SE outcomes?
29. Does the VR agency perform differently in developing the IPE in a timely manner for transition-age youth as a whole compared to transition-age youth with SE outcomes?

## **Length of Time from IPE to Closure**

**Resources:** Transition Data Tables 3.A.5– Elapsed Time from IPE to Closure for Transition-Age Youth Served and 3.A.8– Elapsed Time from IPE to Closure for Transition-Age Youth Served with Supported Employment Outcomes

**Data:** Review the timeframes for transition-age youth from IPE until closure (review data for both transition-age youth as a whole and for transition-age youth receiving SE) for the most recent five-year period for which data are available.

### **Sample questions to be used, as appropriate, to analyze performance:**

30. Over the five-year period, during which two timeframes (e.g., 10-12 months) did the VR agency close the most cases for transition-age youth as a whole and transition-age youth with SE outcomes? How does this compare to national data for similar VR agencies?
31. Are there differences in the VR agency's performance between the transition-age youth as a whole and transition-age youth with SE outcomes? Are there differences between the length of time between IPE and closure for the two groups? If so, please explain.

## **Standard Occupational Classification (SOC) Codes for Individuals who Achieved Employment**

**Resources:** Transition Data Table 3.A.9– Standard Occupational Classification (SOC) Codes for Transition-Age Youth Served with Employment Outcomes

**Data:** Review data to determine the types of employment achieved by transition-age youth, the number of individuals who achieved each type of employment and the average wages earned for the most recent five-year period for which data are available.

**Sample questions to be used, as appropriate, to analyze performance:**

32. Over the five-year period, what are the five most common SOC codes in which employment outcomes for transition-age youth are classified?
33. Over the five-year period, has there been a significant increase or decrease in any particular SOC codes in the number of transition-age youth obtaining employment outcomes in those occupations?
34. In the most recent year for which data are available, which SOC codes result in the highest and lowest average annual wages for transition-age youth? What percentage of transition-age youth achieved employment outcomes in these SOC codes in the most recent year?

## **E. Transition-Age Youth Resources**

### **2013 Transition Activities in the Office of Special Education and Rehabilitative Services**

At the U.S. Department of Education website (ed.gov), under “About ED,” click on “Offices,” Select “Office of Special Education and Rehabilitative Services Homepage,” click on “Reports and Resources,” and scroll down to the “2013 Transition Activities in OSERS.”

### **RSA Sub-Regulatory Guidance**

#### **IM-07-08: Transition Programs & Services: High School (HS)/High Tech (HT) & Vocational Rehabilitation**

The HS/HT Program is a comprehensive transition program that uses a variety of activities and innovative approaches to expose transition-age youth with disabilities (ages 14 to 24) to careers in science, technology, engineering, and math (referred to as the STEM careers) and other technology-based professions. It also encourages such youth to pursue postsecondary education and training.

#### **IM-09-05: Research highlights from an Assessment of Transition Policies and Practices in State Vocational Rehabilitation Agencies**

The purpose of the assessment was to provide a descriptive national picture of current transition policies and practices among state VR agencies and to identify policy issues and effective practices in the provision of transition services.

#### **TAC-05-01: Guidelines for Assessing the Functional Capacities of an Individual with Specific Learning Disabilities**

This TAC provides guidance to assist VR agency staff in identifying functional limitations of individuals with specific learning disabilities and their severity. This guidance may assist VR counselors in an accurate assessment for determining an individual's assignment to an order of selection for services.

#### **RSA-Identified Emerging Practices in Transition**

RSA established the Emerging Practices as a mechanism for sharing state information to increase awareness of a variety of approaches that provide a foundation for research and lead to the development of evidence-based practices. It is important to note that emerging practices were developed and implemented in each state for the purpose of enhancing improvement. The practices provide useful samples of programs, strategies, and activities relating to the provision of transition services. They were developed based on specific agency needs and implemented based on available resources in each agency. Therefore, the practice may work differently or produce different results in your agency if you choose to replicate it. At the RSA website ([rsa.ed.gov](http://rsa.ed.gov)) under "About RSA," click on "Emerging Practices," then "Basic VR," and then "Transition."

## **V. Focus Area – Allocation and Expenditure of Vocational Rehabilitation and Supported Employment Program Funds**

### **A. Nature and Scope**

Through the implementation of this focus area, RSA will assess the fiscal accountability of the vocational rehabilitation (VR) and supported employment (SE) programs. Fiscal accountability requirements ensure funding is spent for its intended purpose. Fiscal accountability maximizes resources available for program needs and thereby supports the achievement of employment outcomes for individuals with disabilities. Fiscal accountability requirements are comprised of program specific requirements and general administrative requirements.

Program specific requirements refer to the Rehabilitation Act, and VR and SE implementing regulations at 34 CFR 361 and 34 CFR 363, respectively. These requirements establish the specific provisions related to the administration and operation of the VR and SE programs.

General administrative requirements refer to the following:

- Federal regulations at 2 CFR 225. These regulations establish a foundation of federal cost principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments and federally-recognized Indian tribal governments.
- Education Department General Administrative Regulations (EDGAR) at 34 CFR 80. These regulations are applicable to Department of Education grantees and establish uniform administrative rules for the Department's federal grants to state, local and Indian tribal governments.
- Department and RSA guidance including Policy Directives (PDs), Technical Assistance Circulars (TACs), Grant Bulletins, etc.

Through this area, RSA fiscal staff will review VR agency adherence to both the program specific and general administrative accountability requirements.

Review teams will use a variety of resources and documents from the previous five federal fiscal years in the course of this monitoring, including data maintained on RSA's website (Management Information System) that is generated from reports submitted by the VR agency (e.g., Federal Financial Reports (SF-269/SF-425), Annual VR Program/Cost Report (RSA-2), and VR State Plan). These data are organized into a fiscal profile that is shared with the VR agency and functions as a reference for fiscal discussions regarding the areas covered within this focus area.

To assess the fiscal accountability of a VR agency with respect to the fiscal management of the VR and SE programs, review teams will use a variety of resources and documents in the course of the monitoring, such as:

- previous monitoring reports issued pursuant to Section 107 of the Rehabilitation Act, including the progress made with required corrective action plans;



- A-133 Audit findings and corrective actions;
- state/agency allocation/budget documents and annual fiscal reports;
- agency policies, procedures, and forms (e.g., monitoring, personnel certifications, procurement and personnel activity reports, etc.);
- documentation of expenditures including contracts, purchase orders, invoices, etc.; and
- grant award notifications, match (e.g., interagency transfers, third-party cooperative arrangements (TPCAs), establishment projects, private donations), maintenance of effort (MOE), and program income documentation.

In gathering fiscal information, review teams may have discussions with:

- VR agency director;
- Designated State Unit (DSU) and Designated State Agency (DSA) fiscal staff;
- DSU and DSA staff responsible for VR agency contracts and agreements; and
- DSU and DSA staff responsible for monitoring VR agency contracts and agreements.

The degree to which RSA addresses each accountability requirement is dependent upon the individual circumstances of the agency. The information obtained prior to the on-site visit (e.g., review documentation request, teleconferences, RSA website data, etc.) is analyzed to determine the level of review required for each component. Therefore, the level of review for each component may vary by VR agency.

Finally, Appendices A through C of this MTAG contain additional information that can be used, if applicable, to complete the fiscal review of a VR agency.

Appendix A: Examples of Findings from Prior Reviews

Appendix B: Third-Party Cooperative Arrangements Review Instrument

Appendix C: Data Tables

## **B. Review of Progress Made or Results Obtained from Accepted Fiscal Recommendations and Compliance Findings Identified During the Prior Monitoring Cycle**

**Resources:** The most recently published Section 107 Monitoring Report; Corrective Action Plan (CAP); and progress reports

The review teams will follow up on accepted fiscal recommendations, and compliance findings documented in the last monitoring review cycle (i.e., most recently published Section 107 Monitoring Report, CAP and progress reports) to determine whether they have been corrected, and whether additional technical assistance is needed.

1. Describe progress made on accepted fiscal recommendations and any outstanding fiscal findings from the previous Section 107 Monitoring Report.
2. Describe any technical assistance needed to respond to accepted fiscal recommendations and resolve outstanding corrective actions related to fiscal findings.

## **a. Program Specific Requirements**

This component of the fiscal review focuses on program statutory requirements specific to the VR program.

### **Match**

**Resources:** Federal Financial Reports; VR agency documentation of non-federal expenditures

This area assesses fiscal accountability for the match requirement for the VR program. VR implementing regulations require that the state must make a portion of expenditures under the VR State Plan from non-federal funds to meet its cost sharing requirements (34 CFR 361.60). The federal share for expenditures made by the state, including expenditures for the provision of VR services and the administration of the VR State Plan, is 78.7 percent. The state's share is 21.3 percent. In order to maximize the amount of federal funds available to the state to provide VR services and administer the program, the non-federal share of expenditures must be sufficient to permit the drawdown of the formula award amount.

3. Identify the extent to which the VR agency satisfied the match requirements in each of the five previous fiscal years. For any years in which the non-federal share was not met, identify the amount of the deficit.

### **Maintenance of Effort (MOE)**

**Resources:** Federal Financial Reports; VR agency documentation of non-federal expenditures

This area assesses fiscal accountability for the MOE requirement for the VR program. Maintenance of effort is the requirement that a state maintain its level of non-federal expenditure for federal program purposes. Section 111(a)(2)(B) of the Rehabilitation Act and 34 CFR 361.62(a)(1) of the VR implementing regulations require the amount payable to a state for a fiscal year be reduced by the amount by which expenditures from non-federal sources under the VR program for the previous fiscal year are less than the total of such expenditures for the fiscal year two years prior to the previous fiscal year. For example, the FY 2014 MOE assessment requires a state's VR expenditures from non-federal sources in FY 2013 to have equaled or exceeded its VR expenditures from non-federal sources in FY 2011. If a state had less VR expenditures from non-federal sources in FY 2013 than it had in FY 2011, the Secretary must reduce the state's FY 2014 allotment by that shortage amount.

Contributions from private community rehabilitation programs (CRPs) used to meet the non-federal share of establishment or construction of a facility are subtracted from the state's total non-federal share when calculating MOE requirements.

4. Identify the extent to which the agency satisfied the MOE requirements in each of the five previous fiscal years. For any years in which the MOE requirement was not met, identify the amount of the deficit.

### **Third-Party Cooperative Arrangements (TPCAs)**

**Resources:** Documentation related to TPCAs (e.g., contracts, agreements, and invoices)

This area assesses fiscal accountability in relation to the VR agency's use of TPCAs. TPCAs are agreements between the VR agency and other state or local public agencies (referred to as cooperating agencies). TPCAs allow the VR agency to utilize a third party to provide VR services to applicants, or recipients of, the VR program. Services are typically provided by cooperating agency staff, and may not be provided by VR counselors or other VR agency staff.

If the VR agency obtains non-federal share through TPCAs, review teams, including both program and fiscal staff, will work collaboratively to review the TPCA agreements. RSA program staff will complete the TPCA review instrument in Appendix B of the MTAG to determine compliance of TPCAs with the program requirements of 34 CFR 361.28. RSA fiscal staff will review compliance with program specific and general fiscal requirements. This includes the VR agency's process for ensuring that TPCA costs are allocable to the VR program in accordance with the relative benefits received (2 CFR 225, Appendix A, C3.a.).

### **Establishment Projects**

**Resources:** Policies related to establishment projects; establishment project contracts or agreements; comprehensive statewide needs assessment; and VR State Plan

This area assesses fiscal accountability for VR funds used for the establishment, development, or improvement of a public or non-profit CRP to provide VR services to applicants and eligible individuals of the VR program that promote integration and competitive employment (Section 103(b)(2)(a) of the Rehabilitation Act and 34 CFR 361.49(a)(1)). VR agencies must evaluate the needs of VR participants in the comprehensive statewide needs assessment (34 CFR 361.29) to determine whether the VR agency can establish, develop or improve a public or non-profit CRP (34 CFR 361.5(b)(17) and (18), and 34 CFR 361.49). The need to establish, develop or improve a CRP, along with goals and priorities and strategies to address the need, must be reported upon in the VR State Plan.

If the VR agency implements establishment projects, review teams, including program and fiscal staff, will work collaboratively to review this component. RSA program staff will review the pre-planning requirements, agency policy and program purposes to ensure program requirements are met. RSA fiscal staff will review compliance with program specific and general fiscal requirements.

The questions below address the pre-planning requirements, as well as the use of non-federal funds earmarked for establishment projects (34 CFR 361.60(b)(3)(i)).

5. Identify any contracts or agreements the VR agency has regarding the establishment, development or improvement of a public or non-profit CRP. For these agreements, describe specifically:
  - a. where the comprehensive statewide needs assessment incorporates the need to establish, develop or improve a public or non-profit CRP;

- b. the goals and priorities and strategies related to each establishment project;
- c. how the agency determined the amount of funds to be contributed toward the project, including the source of the non-federal funds (e.g., VR agency state appropriation, CRP non-federal funds); and
- d. how the agency and CRP will ensure that only applicants or recipients of VR services receive VR services from the establishment project.

### **Federal Program Income**

**Resources:** Federal Financial Reports; VR agency fiscal profile; VR agency documentation of sources, amounts and expenditure of program income; Social Security Administration clearance reports; and VR agency policies and procedures

This area assesses fiscal accountability with federal program income requirements. Federal program income refers to gross program income received by the state that is directly generated by allowable program activities. For the VR program, the most common form of program income is Social Security Administration reimbursements related to the Ticket-to-Work program. Program income generated in the VR program may be used to increase the available resources within the program through the addition alternative, reduce the total allowable expenditures per the non-federal/federal share ratio via the deduction alternative, and Social Security reimbursement program income may be transferred to other eligible programs, including the Independent Living programs (State Independent Living Services (SILS/Part B), Independent Living Services for Older Individuals who are Blind (OIB), and Centers for Independent Living (CIL/Part C)), the Client Assistance, and Supported Employment programs.

Sources of federal program income received by the agency that are directly generated by an activity supported under the VR program (34 CFR 361.63) will be identified, including the amount of federal program income generated by each source by federal fiscal year. This component also reviews the requirements that program income be reported accurately (34 CFR 76.720) and disbursed before requesting additional federal funds from the award (34 CFR 80.21(f)).

- 6. Identify the sources of federal program income (e.g., SSA, contracted services) and the amount of income obtained from each source by federal fiscal year. Include the amounts of federal program income by federal fiscal year and source transferred to other eligible programs (e.g., SILS, OIB, CILs, Client Assistance Program).
- 7. Describe the process by which program income is tracked and expended, including procedures for ensuring the proper reporting of program income, and that program income is disbursed prior to drawing down additional federal funds.

### **b. General Administrative Requirements**

This component of the fiscal review focuses on general administrative requirements specific to the VR and SE programs.

## **Internal Controls**

**Resources:** Policies and procedures regarding internal control process and documentation of control activities; Federal Financial Reports; and RSA-2 reports

This area assesses fiscal accountability in relation to internal control requirements (34 CFR 80.40(a)). Internal controls are established and implemented as a measure of checks and balances to ensure proper expenditures of funds. Internal controls serve to safeguard assets and prevent fraud, waste, abuse, and mismanagement. They include methods and procedures for managing the day-to-day operations of grant supported activities to assure compliance with applicable federal requirements and that performance goals are being achieved. Items addressed include, but are not limited to, segregation of duties and internal audit processes.

There will be a focus on accurate financial reporting. Federal regulations require that all recipients of federal funds must accurately report the financial results of all federally-assisted activities. (34 CFR 361.12 and 34 CFR 80.20(a))

8. Identify any audit findings (internal or external) that were identified during the period of the review and the VR agency's corrective actions.
9. Describe the VR agency's process for developing financial reports, including the SF-269/SF-425 and RSA-2. Include the methods or procedures for developing and maintaining supporting documentation used to verify the accuracy of financial reports submitted to RSA.

## **Procurement Processes and Financial Monitoring**

**Resources:** Policies and procedures regarding purchased services, contract administration and monitoring; and supporting documentation (e.g., receipts, invoices, monitoring reports, corrective actions)

VR agencies procure goods and services for the administration of the VR and SE programs, as well as the provision of client services to applicants for, or recipients of, VR or SE services. Mechanisms may include contracts, provider agreements, service authorizations, memoranda of agreement, or any other methods of obtaining goods and services for VR and SE program purposes. Program procurement must only be for allowable services under the Rehabilitation Act and VR and SE implementing regulations, and is regulated by the federal cost principles.

This area identifies the VR agency's procurement/contract administration and monitoring process. The review includes: 1) policies and procedures for procurement/contract development and monitoring; and 2) written policies governing the rates of payments for purchased VR services (34 CFR 361.50(c)(1)). As the grantee and recipient of the federal funds, the VR agency is responsible for monitoring grant supported activities to ensure compliance with applicable federal requirements and that performance goals are being achieved (34 CFR 80.40(a)).

10. Describe the procedures used by the VR agency for processing purchase orders, invoices, and/or any document that is used to pay for a product or service for a consumer.

11. In accordance with the VR agency's policy governing rates of payments for VR and SE services, describe how the agency determines the amounts it pays for services, including how the VR agency ensures those fees are reasonable and in proportion to the benefits received by the program. Include the process used to reconcile the amounts paid to contractors/vendors to ensure that the total amount paid under the contract does not exceed the contract amount.
12. Describe the monitoring process used by the VR agency to ensure contractors/vendors comply with all applicable requirements. In particular, describe the procedures that the agency uses to ensure:
  - a. VR services provided by the contractor/vendor are allocable, allowable, reasonable, and necessary (2 CFR 225, Appendix A, paragraph C.1.);
  - b. services are provided solely to applicants or eligible consumers of the VR program;
  - c. services are provided and at the level agreed to in the contract/agreement;
  - d. contractors/vendors meet the performance goals as agreed to in the contract (34 CFR 80.40(a));
  - e. supporting documentation is maintained to verify amounts invoiced and received under contracts (34 CFR 80.20(a)); and
  - f. corrective actions are documented and implemented when contractor/vendor noncompliance is identified.
13. Describe the VR agency's process for providing and monitoring direct payments to consumers (e.g., maintenance, transportation, etc.).

### **Indirect Costs**

**Resources:** Indirect Cost Rate Proposal and Rate Agreement or Cost Allocation Plan; and supporting documentation regarding payments under the agreements

This area identifies whether indirect costs or cost allocation plans have been implemented within the VR agency and whether indirect costs are allocated appropriately. Indirect costs are those costs incurred for a common joint purpose benefiting more than one cost objective, and cannot be readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved (2 CFR 225, Appendix A, paragraph F.1). All activities that benefit from the VR agency's indirect costs must receive an appropriate allocation of indirect costs (*Id.* at C.3.b). Indirect costs are charged to programs in accordance with an approved indirect cost rate (2 CFR 225, Appendix E, paragraph A.3). A grantee must have a current indirect cost rate agreement or cost allocation plan to charge indirect costs to a grant. To obtain an indirect cost rate agreement or cost allocation plan, a grantee must submit an indirect cost proposal to its cognizant agency and negotiate an indirect cost agreement (34 CFR 75.560(b)).

14. Describe how the VR agency ensures indirect costs are allocated appropriately in accordance with an approved indirect cost rate or cost allocation plan.

## **Personnel Cost Allocation**

**Resources:** Policies and procedures related to documenting personnel time and cost allocation; supporting documentation (e.g., personnel activity reports, time certifications, process used to allocate personnel costs)

This area identifies how personnel costs are allocated for employees of the VR agency working on one or multiple cost objectives (2 CFR 225, Appendix B, paragraph 8.h.4). Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation which meets the standards in 2 CFR 225 unless a statistical sampling system or other substitute system has been approved by the cognizant federal agency.

15. If the VR agency uses a substitute personnel system, describe the system and provide documentation that the substitute system has been approved by the VR agency's cognizant federal agency.
16. For employees required to complete personnel activity reports (PARs), describe the following:
  - a. process for how employees complete (PARs);
  - b. how the PAR data is used to allocate personnel costs; and
  - c. how the agency monitors the PARs to ensure accuracy.
17. Describe the process the VR agency uses to ensure that individuals working on one grant award complete semi-annual certifications (2 CFR 225, Appendix B, paragraph 8.h.3).

## **Appendix A: Examples of Findings from Prior Reviews**

### **VOCATIONAL REHABILITATION PROGRAM**

#### **FEDERAL FY 2014 MONITORING AND TECHNICAL ASSISTANCE GUIDE**

During the monitoring of the vocational rehabilitation (VR) program during the cycle beginning in fiscal year (FY) 2007 and ending in FY 2010, as well as the current cycle beginning in FY 2011, the Rehabilitation Services Administration (RSA) made findings of non-compliance and identified the corrective actions VR agencies were required to take to resolve the findings. This appendix includes examples of findings from the monitoring reports resulting from these prior reviews as they relate to the focus areas covered by this MTAG, including the provision of transition services and employment outcomes achieved by youth with disabilities, and the allocation and expenditure of VR and SE program funds. These examples illustrate the manner in which RSA interprets the federal requirements pertinent to these focus areas. The review teams and VR agencies may find these examples helpful when analyzing factual information in light of relevant statutory and regulatory provisions.

Note: (1) These findings have been redacted to eliminate VR agency names, state names, and other identifiable information. (2) Any numbering that appears within the text of the findings relates to their location in the monitoring reports from which they were taken.

#### **Focus Area - Transition Services and Employment Outcomes for Youth with Disabilities**

**Example 1: The VR agency was not in compliance with the requirement that the Individualized Plan for Employment (IPE) for transition students be developed before they leave the school setting.**

**Legal Requirements:** VR program regulations at 34 CFR 361.22(a)(2)

**Finding:** The VR agency is not in compliance with 34 CFR 361.22(a)(2), which requires it to develop and approve an IPE for a student in transition prior to the student exiting school. During RSA's service record review, RSA found that only eight (44.4 percent) of those records reviewed contained a signed IPE prior to the student leaving school. Interviews with the school district and VR agency staff substantiated the results of the service record review that IPEs were not always developed and approved prior to the student leaving the school setting.

#### **Corrective Action**

RSA requires that the VR agency take the necessary steps to ensure that IPEs for transition-age youths determined eligible for the VR program are developed and approved prior to the individual exiting school, as required by 34 CFR 361.22(a)(2).

**Agency Response:** The VR agency believes that, for purposes of 34 CFR 361.22, the only customers that should be considered transition-age youth are those who are still in a K-12 or



other special education school program and have an Individualized Education Program (IEP). There is, however, no data available in any RSA database to address this legal requirement. The AWARE system has a transition program participant variable on the application page. Using this variable, the VR agency first identified the FY 2007 cases that had an IPE (6,625). Of those, 4,105 customers were reported as transition cases, 1,024 cases were reported as being former transition cases and 1,494 customers were reported as not being transition cases. These findings suggest that only 4,105 customers (3,034 less than reported by RSA) closed in 2007 would meet the legal requirements of transition youth. This is a definition issue.

The agency disagrees with RSA's finding that it has failed to comply with 34 CFR 361.22. The agency questions the statistical significance of RSA's sample and believes the service record review sample size underrepresented the District and the state in referencing whether the agency has complied with the requirement of 34 CFR 361.22. Our information demonstrates a higher compliance rating. It should be further noted that 76.2 percent of the youth (using RSA's definition of youth) had an IPE, while 39.9 percent had less than a high school diploma when they applied for services.

**RSA Response:** While we understand that a large percentage of students with disabilities receive special education services pursuant to an IEP, 34 CFR 361.22 encompasses all students eligible for the VR program, regardless of whether they are receiving special education services. In fact, 34 CFR 361.22(a)(1) requires the VR agency to have policies and procedures in place on how it will work with the educational agencies to facilitate the transition of students with disabilities, and 34 CFR 361.22(b) requires VR agency to have a formal interagency agreement in place with the state educational agency (SEA) that coordinates services for eligible students with disabilities transitioning from school to post-school activities. Neither of these requirements are limited to students receiving special education services. Therefore, all students determined eligible for VR services are required to have their IPEs developed and approved before they exit the school system pursuant to 34 CFR 361.22(a)(2). However, we found, based on a review of service records and interviews with VR agency and school district staff, that only 44.4 percent of the eligible students had IPEs developed and approved before leaving school.

**Example 2: Program requirements were being met, but the written contracts were out of compliance.**

**Legal Requirements:** VR program regulations at 34 CFR 361.28 (a) and (b); 34 CFR 361.25 and 361.26

**Finding:** The VR agency enters into 162 third party cooperative arrangements with local school districts, known as the X program, to provide enhanced VR services to transition-age youths. The VR agency administers the majority of its transition services through these third party cooperative arrangements. Currently, the VR agency serves approximately 16,300 transition-age youths with the most significant disabilities in the X program in the 10th through 12th grades.

To determine if these arrangements are in compliance with 34 CFR 361.28, RSA reviewed several examples of written agreements implementing the X program. In addition, RSA met with the VR agency officials and staff and representatives from a variety of school districts in the local area to discuss the manner in which the terms of the written agreements are put into practice.

Based on this review, RSA finds that the written agreements implementing the X program arrangements and the conduct of the X program projects in general are in compliance with 34 CFR 361.28, except as follows:

The written agreements do not clearly identify the amount of the non-Federal share provided by the cooperating school districts, as required by 34 CFR 361.28(a). The VR agency staff indicated the lack of this information is the result of changes made to the form for these types of agreements made by the DSA. However, the staff indicated that each school district is providing the non-Federal share, which the VR agency uses to match the federal VR program funds contributed to the arrangements. The VR agency must revise the written agreements implementing each X program project to specify the amount of the non-Federal share contributed by the school districts.

The written agreements do not clearly identify the services that are provided by the cooperating school districts. Consequently, RSA could not determine solely based on the language of the written agreements whether the services provided by the cooperating school districts are new services with a VR focus, or are existing services that have been expanded or modified to include a VR focus, in accordance with 34 CFR 361.28(a)(1). Although the agreements sometimes included a list of services that could be provided, the agreements did not indicate which of these services had been selected in each arrangement. However, during on-site discussions, the VR agency staff and representatives of the school districts indicated that the services provided through the X program projects are not typical of those mandated to be provided by the schools under the Individuals with Disabilities Education Improvement Act of 2004 (IDEA). These services include the development of community-based work opportunities. Thus, though the operation of the X program is consistent with federal requirements, the written agreements must be revised to clearly specify the services provided by the cooperating school districts that have been expanded or modified to have a VR focus.

The written agreements do not indicate who is to be served through the arrangements, as required by 34 CFR 361.28(a)(2), which states that only individuals who have applied for or are receiving VR services can be served. The VR agency staff indicated that this lack of information also is the result of the changes made to the form for the agreements made by the DSA. The VR agency staff and school representatives again indicated that the program is administered in accordance with this federal requirement because only transition-age youths who are applicants or eligible for VR services are served through the X program projects. The VR agency must revise the written agreements implementing the X program projects to be consistent with this federal requirement.

The written agreements do not indicate the manner in which the VR agency exercises administrative supervision of the funds and staff used to implement the X program projects, as required by 34 CFR 361.28(a)(3). The VR agency staff indicated that the agency has developed the criteria for the hiring of the transition specialists employed by the school districts. While employed by the school districts, the X program transition specialists report to the VR agency supervisors. The VR agency supervisors and VR counselors monitor the X program cases and carry out the non-delegable functions that only can be performed by qualified VR counselors employed by the agency, such as determining eligibility and approving the IPE. Additionally, the VR agency staff supervise the transition specialists and evaluate their performance. Despite

these efforts, RSA found during the course of the review that the agency should strengthen its oversight of these arrangements to monitor, evaluate, appropriately report, and hold the school systems accountable. Therefore, the VR agency must revise the written agreements to reflect the manner in which the agency exercises administrative supervision over the funds and staff involved in the X program projects. These revisions should include a description of the strategies developed by the VR agency to improve the monitoring, evaluation, and accountability of the X program projects.

Finally, the written agreements do not state that the X program projects will be administered in accordance with all terms of the agency's State Plan, including the Order of Selection (OOS), as required by 34 CFR 361.28(a)(4). Although the VR agency staff and representatives of the schools indicate that all State Plan requirements, including those for the agency's OOS, are being applied in the X program projects, the written agreements must clearly indicate this. To be consistent with the federal requirement, the agreement should specify the manner in which transition-age youths are assigned to priority categories for the provision of VR services under the VR agency's OOS.

**Corrective Action:** The VR agency must revise its third-party cooperative arrangement documents to be consistent with 34 CFR 361.28. Such revisions must include the following:

- 1.1 The document must state that the third-party cooperating agency is providing all or part of the non-Federal share and clearly specify the amount.
- 1.2 The document must describe the scope of services offered through the arrangement. Specifically, services provided must be either new services or modified services with a VR focus.
- 1.3 The document must specify that the arrangement is only serving individuals who are applicants or eligible for VR services.
- 1.4 The document must describe in detail the way in which the VR agency administers supervision over the funds and the staff.
- 1.5 The document must specify that the third-party cooperative arrangement complies with all portions of the State Plan, including the OOS. The document should describe how the third-party arrangement program complies with the OOS.

**Example 3: Services were not new or enhanced VR services, and services were provided to non-VR applicants or consumers.**

**Legal Requirements:** VR program regulations at 34 CFR 361.28 (a) and (b); 34 CFR 361.25 and 361.26

**Finding:** The VR agency is not in compliance with 34 CFR 361.28(a)(1) and (2) because services provided under the TPCAs do not consist only of new or modified VR services and the individuals receiving those services are not solely VR agency applicants or consumers.

While on-site, RSA reviewed 23 TPCAs that the VR agency had entered into with intermediate school districts (ISDs) for the period July 1, 2009 through June 30, 2010. Each of the 23 contractual agreements, implementing those TPCAs, are identical to one another. The stated purpose of the TPCAs is to create or expand opportunities for community-based work

experiences (CBWEs) or career exploration activities for individual's eligible to receive VR services from the VR agency (X County Agreement, Amendment 1, page 1, and Attachment, page 2).<sup>1</sup> The employment specialists are responsible for performing, among other things, the following duties under the TPCAs: provide employment services to students with disabilities needing assistance developing appropriate work skills, attitudes, behaviors, and work tolerance to plan for and achieve successful post high school employment (X County Agreement, Attachment). The agreement makes it clear that the funding under the TPCA is to supplement the services that the ISD already provides to students with disabilities who are applicants for or consumers of the VR agency program (Id.) The agreement further states: "[state] DOE/DVR funding support shall not be used by the School District to supplant the current level of services provided to the students" (Id.).

Despite the TPCA's prohibition against the school districts using the funding to supplant the level of services provided by the school districts to students with disabilities, the agreements allow the employment specialists, to spend up to 49 percent of their time on:

Educating and providing students with a disability an opportunity to apply for VR services by conducting at least 40 outreach services in their School District during the school year. The 40 outreach services may include transition fairs at the schools, parent/student meetings, attending school IEP meeting when invited, and other student specific meeting (Id.).

The agreement goes on to require that the employment specialists spend a minimum of 51 percent of their time developing CBWE and providing work experiences for students with disabilities who are the VR agency's consumers with agreed-upon IPEs (X County Agreement, Attachment, page 3).

Federal regulations at 34 CFR 361.28(a)(1) require the cooperating agency to provide new services or services that have been modified to have a VR focus. In this case, the agreements permit the employment specialists in the school districts – the cooperating agencies – to split their time between providing the customary services provided to all students with disabilities (e.g. transition fairs and outreach activities) and new or modified services with a VR focus (e.g., the CBWEs). While the CBWE activities required under the agreements have a VR focus, as required by 34 CFR 361.28(a)(1), such activities as attending transition fairs and parent/student meetings do not. These latter activities are typically performed by the ISDs pursuant to the formal interagency agreement that the VR agency and the state DOE have implemented, pursuant to 34 CFR 361.22(b). Outreach activities are a required component of that interagency agreement (34 CFR 361.22(b)(4)). Therefore, the 40 outreach activities performed by the employment specialists, up to 49 percent of their time, are not allowable activities under the TPCA pursuant to 34 CFR 361.28(a)(1).

Furthermore, 34 CFR 361.28(a)(2) requires that the services provided under the TPCAs must be provided solely to the VR agency's applicants and consumers. Many of the students with disabilities participating in the transition fairs and other outreach activities are not the VR agency's consumers or applicants. These activities take up to 49 percent of the employment

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<sup>1</sup> The X County Agreement, which is identical to the other 22 agreements, is used for illustrative purposes only.

specialists' time. According to the agreement, the only activities limited to the VR agency's applicants and consumers are the career exploration and CBWEs. For this reason, the VR agency has not complied with 34 CFR 361.28(a)(2) because the activities under the TPCA are not limited solely to the VR agency's consumers and applicants.

**Corrective Action:** the VR agency must:

- 1.1 cease providing the customary services, available to all students with disabilities, under the TPCAs, as required by 34 CFR 361.28(a)(1); also, cease providing services to non-VR agency consumers or applicants under the TPCAs, as required by 34 CFR 361.28(a)(2);
- 1.2 submit a written assurance to RSA within 10 days of the final monitoring report that the VR agency will comply with 34 CFR 361.28(a)(1) and (2);
- 1.3 revise its TPCA agreements to describe the scope of services offered through the TPCA with the ISDs to make it clear that the transition services provided under the TPCA must be either new services or modified services with a VR focus, as required by 361.28(a)(1); and
- 1.4 revise its TPCA document, and take the steps necessary, to ensure that only applicants for or recipients of VR services are served under the agreement with the ISDs, as required by 361.28(a)(2).

**Example 4: Services were not new or enhanced VR services, and services were provided to non-VR applicants or consumers.**

**Legal Requirement:** VR program regulations at 34 CFR 361.28 (a) and (b); 34 CFR 361.25 and 361.26

**Finding:** The VR agency has failed to comply with 34 CFR 361.28(a)(1) and (2) with regard to its third-party cooperative arrangement with the local entity for the X program because: 1) the X program services provided by the cooperating agency are not new or expanded services; and 2) the services are not provided solely to the VR agency's applicants and consumers.

Based on RSA's review of the written agreement defining the third party cooperative arrangement between the VR agency and the cooperating agency X for the X program, the agreement does not include a description of the services that are to be provided by the cooperating agency or the individuals to be served under the cooperative arrangement. Instead, the agreement only lists the procedures for coordination of services between the VR agency and the cooperating agency for those individuals who are mutual consumers. RSA received confirmation by the cooperating agency staff via teleconference on June 23, 2010 that the X program is the primary service provided by the two transition specialists at the cooperating agency under the agreement. According to the X program overview document, provided by the cooperating agency on June 16, 2010, and reviewed by RSA, the following are X program activities:

- Presentations to students, schools, agencies, parents, organizations, etc. related to transition issues;
- Individual transition planning to identify goals;
- Task analysis of goals so as to provide support and guidance for goal attainment;

- Connecting agencies and community resources to provide support needed for goal attainment;
- Scaffolding experiences designed to lead to goal attainment;
- Coordinate and provide training/workshops, etc. to develop background knowledge and skills; and
- Job development and coaching, tutor program management, financial aid, scholarship, and developmental therapy assistance, college orientation, mentoring, and serving as a liaison between students and University/College Disability Services.

While some of the above-listed activities have a VR focus, not all of them do, as required by 34 CFR 361.28(a)(1). The cooperating agency staff confirmed to RSA, that these are the customary services provided by the X program and that they have not been modified to have a VR focus for purposes of the third party cooperative arrangement with the VR agency. Furthermore, the cooperating agency staff confirmed that all students in the X program participate in the same activities, regardless of whether they are applicants for or consumers of the VR agency. The X program is not limited to the VR agency's consumers or applicants, as required by 34 CFR 361.28(a)(2). In fact, only 189 – or 49.5 percent – of the 382 students participating in the X program at the time of the on-site review could be identified as applicants for or recipients of VR services. For these reasons, the VR agency has not complied with 34 CFR 361.28.

**Corrective Actions:** The VR agency must:

- 1.1 cease providing non-VR services and services to non-VR applicants or consumers under the X program third party cooperative arrangement between the VR agency and the cooperating agency;
- 1.2 revise its third party cooperative arrangement document to describe the scope of services offered through the third party cooperative arrangement with the cooperating agency to make it clear that the X program services provided under the third party cooperative arrangement must be either new services or modified services with a VR focus, as required by 361.28(a)(1); and
- 1.3 revise its third party cooperative arrangement document, and take the steps necessary, to ensure that only applicants for or recipients of VR services are served under the agreement with the cooperating agency, as required by 361.28(a)(2).

**Example 5: Lack of administrative control, services did not have a new or expanded VR focus, services were provided to non-VR applicants or consumers, and the program did not follow the OOS.**

**Legal Requirements:** VR program regulations at 34 CFR 361.28 (a) and (b); 34 CFR 361.25 and 361.26; 34 CFR 361.60(b)(2)  
Education Department General Administrative Regulations (EDGAR) at 34 CFR 80.24(a)(2); and 34 CFR 80.20

**Finding:** From FY 2007 through February 28, 2009, the VR agency entered into third-party cooperative arrangements with two area education agencies (AEA) to enhance business partnerships with the local school. The project, known as the X program, was established as a five-year arrangement – one year of research and study, three years of implementing

school/business/postsecondary designs to improve the education program, and one year of evaluation to assess the effectiveness on student outcomes. The AEA, in turn, subcontracted with others to provide the actual services under the X program. The VR agency did not participate in the selection of X program staff or in setting the amount of time they would work. X program contractor's submitted receipts and invoices to the VR agency for payment. The VR agency treated a percentage of the total amount submitted for payment as "match" – expenditures paid from non-Federal sources, and, therefore, did not pay the X program contractors for that percentage amount. The VR agency paid the remaining costs with Title I VR funds. The second year of the project required each AEA to address the following three implementation goals:

- All students will achieve critical skills;
- All schools will partner with community entities to provide supports for all students to achieve critical skills; and
- All students will successfully transition into postsecondary opportunities (work or education).

The VR agency terminated the X program arrangements during the third year of the 5-year contract. The state DOE took over responsibilities for the program effective February 28, 2009. In order for the VR agency to use a third-party cooperative agreement for meeting all or part of the non-Federal share of VR program expenditures, it must satisfy the following requirements. First, it must be an agreement between the DSU and another state agency or other local public agency (34 CFR 361.28(a)). Second, the services provided by the cooperating agency must not be the customary services that agency typically provides. Instead, the services should be new services that have a VR focus or be modified and/or expanded with a VR focus (34 CFR 361.28(a)(1)). Third, the services provided by the cooperating agency pursuant to the agreement must be available only to VR program applicants and consumers (34 CFR 361.28(a)(2)). Fourth, the VR agency must maintain administrative supervision over the program expenditures and staff providing services pursuant to the cooperative agreement (34 CFR 361.28(a)(3)). Fifth, all State Plan requirements will apply to the services provided pursuant to the cooperative agreement (34 CFR 361.28(a)(4)). Finally, third-party in-kind contributions may not be used to satisfy the non-Federal share of program expenditures (34 CFR 361.60(b)(2)). In addition to these VR program requirements, the VR agency also must satisfy certain general fiscal requirements, including those set forth at 34 CFR 60.20(a) of EDGAR. In particular, this provision requires the VR agency to account for all program funds in a manner detailed enough that would allow the funds to be traced to a level of expenditures to ensure that the funds were used in accordance with all federal and state requirements (34 CFR 80.20(a)(2)).

After discussing implementation of the X program agreements with the VR agency officials, and reviewing the X program Request for Proposal, AEA contracts and supporting documents, the VR agency monitoring documents, X program curriculum, and invoices with supporting documentation, RSA found that the X program third-party cooperative arrangements were not in compliance with 34 CFR 361.28, 34 CFR 361.60(b)(2), and 34 CFR 80.2 for the following reasons, and, thus may not be used by the VR agency for satisfying its non-Federal share requirements under the VR program:

- a. The curriculum developed under the X program arrangements did not have a new or expanded VR focus as required by 34 CFR 361.28(a)(1). Instead, the curriculum focused on teaching students critical skills related to smoking, drinking, drug abuse, depression, suicide, online predators, eating disorders, and teen parenting.

b. The curriculum was not limited to individuals who were VR applicants or consumers as required by 34 CFR 361.28(a)(2). Instead, the third party cooperative agreements indicated that “all” students would be served through the X program curriculum.

c. The VR agency did not maintain administrative supervision of the expenditures or staff providing services pursuant to the X program agreements, as required by 34 CFR 361.28(a)(3). Instead, the AEA selected staff to provide the services and develop the curriculum, and determined how many hours those individuals would work. Furthermore, the AEA did not submit supporting documentation to the VR agency verifying the time spent providing services each month or the tasks completed. Instead, payments were made based on the number of hours submitted via fax to the VR agency each month. Additionally, RSA’s review of relevant documents indicated that the X program budgets were often exceeded by the AEA without any supporting documentation submitted to the VR agency justifying the excess, or documenting that the VR agency was involved in the decision-making at that point.

d. The X program did not follow the VR agency’s current order of selection as required by 34 CFR 361.28(a)(4). Instead, the X program curriculum, according to the cooperative agreement, was available to “all” students.

e. The self-developed time sheets of X program for state or local public agency staff failed to provide sufficient information that would allow the activities to be traced to the VR program as required by 34 CFR 80.20(a)(2), and thus chargeable to the third-party cooperative agreement. Without sufficient detailed supporting information, the activities and expenditures cannot be traced to the VR program adequately enough to determine whether all requirements have been satisfied.

**Corrective Action:** The VR agency must:

1.1 cease using third-party cooperative agreements to meet its non-Federal share of funding for the VR program if those agreements do not satisfy the requirements of 34 CFR 361.28;

1.2 submit a written assurance to RSA within 10 days of receipt of the final monitoring report that all future third-party cooperative agreements will satisfy the requirements of 34 CFR 361.28; and

1.3 submit detailed fiscal data regarding the X program from its inception through February 28, 2009. Data must include all funds expended by all external and internal sources, including indirect and other administrative costs attributable to the X program. Please categorize the data submitted according to whether the funds are from federal or non-Federal sources.

**Example 6: The VR agency was not in compliance with federal requirements because it provided services to transition students prior to the development of the IPE.**

**Legal Requirements:**

- Rehabilitation Act– Sections 102(b)(3); and 103(a)
- VR Program Regulations– 34 CFR 361.46(a) and 34 CFR 361.48

**Finding:**

The VR agency is not in compliance with Sections 102(b)(3) or 103(a) of the Rehabilitation Act, and its implementing VR program regulations at 34 CFR 361.46(a) and 34 CFR 361.48, as the VR agency provides individualized services to youth with disabilities prior to the approval of an IPE through the use of an additional plan, referred to as the IPE Development Plan.



Section 103(a) of the Rehabilitation Act and regulations at 34 CFR 361.48 state that VR services are those services that are necessary for an individual to prepare for, secure, regain or retain employment and that are specified on the IPE. Therefore, those VR services listed in Section 103(a) and 34 CFR 361.48 can only be provided to an individual if they are specified in an IPE meeting the requirements set forth in the Act and regulations. The IPE must contain, among other items as appropriate for the individual, the individual's specific employment goal; the services needed for the individual to achieve the goal; timelines for the provision of, and the providers of, the services; and the criteria for evaluating progress toward achievement of the goal (Section 102(b)(3) and 34 CFR 361.46(a)).

During the course of the review, RSA reviewed the VR agency policies specific to the development of the IPE Development Plan (IPEDP). According to these policies, the IPE Development Plan includes a "tentative goal" and reflects an individual's plan to develop an IPE. Pursuant to VR agency policies, VR counselors are required to develop an IPE or an IPE Development Plan for each eligible individual as soon as possible, but no later than 90 days after the determination of eligibility for VR services. The policies further state that, "for individuals who have developed an IPEDP within 90 days of eligibility, an IPE must be developed as soon as possible, but no later than one year after they have been determined eligible for services" (see Section X.XX Individualized Plan for Employment (IPE) Development, *Time Frame for Developing an IPEDP and IPE*). The IPE Development Plan is also developed for students who have been determined eligible for VR services "to outline a plan to gather information necessary to formulate a vocational goal and implement an IPE" (see Section X.XX Transition Planning and Services Overview, *Individualized Plan for Employment Development Plan*).

The IPE Development Plan includes, "completion of medical, vocational, situational and other assessments; the selection of a suitable vocational rehabilitation goal and determination of the nature and scope of rehabilitation services that will be needed to reach the goal" (id.). As indicated by this statement and the policies described above, the IPE Development Plan functions as a tool through which the VR agency conducts assessments and assists the individual to identify the desired employment goal for inclusion on the IPE. It does not include the essential component of an IPE - the specific employment goal as required under Section 102(b)(3) of the Rehabilitation Act and 34 CFR 361.46(a). Consequently, those services listed in Section 103(a) and 34 CFR 361.48 cannot be provided under an IPE Development Plan.

Nonetheless, the VR agency provides individualized services to eligible individuals through an IPE Development Plan, prior to the development and approval of an IPE containing the mandatory components. Based on a review of a sample IPE Development Plan and information provided by the VR agency staff, the individualized services provided through the IPE Development plan include, but are not limited to: vocational guidance and counseling; rehabilitation teaching; orientation and mobility training; low vision services; adaptive equipment (not to exceed \$XXX per student per year); social casework; prevocational skills training; summer recreation programs; work experiences; summer youth employment with agency reimbursement to the employer for wages; job coaching (not to exceed 150 hours); maintenance; and transportation.

Although the VR agency has developed the IPE Development Plan, after eligibility determination, there is no authority under the VR program for the VR agency to develop and

implement additional plans through which it provides individualized VR services, such as work experience; job coaching and job related services; equipment, tools and supplies; other goods and services; and rehabilitation technology, all of which are listed in Section 103(a) of the Rehabilitation Act and 34 CFR 361.48. These services can only be provided through an approved IPE in compliance with Section 102(b) of the Rehabilitation Act and regulations at 34 CFR 361.46(a).

In summary, the VR agency is not in compliance with Sections 102(b)(3) and 103(a) of the Rehabilitation Act, as well as its implementing regulations at 34 CFR 361.46(a) and 34 CFR 361.48, because it provides VR services to individuals through IPE Development Plans that do not contain the required components of a valid IPE.

**Corrective Action:** The VR agency must:

- 1.1 cease providing VR services to eligible transition-age youth through IPE Development Plans and prior to the approval of IPEs that contain all mandatory components;
- 1.2 submit a written assurance to RSA within 10 days of the issuance of the final monitoring report that the VR agency will cease the practice of providing VR services to eligible transition-age youth through plans that do not contain the mandatory components of an IPE, in accordance with Section 102(b)(3) and 103(a) of the Rehabilitation Act, and regulations at 34 CFR 361.46(a) and 34 CFR 361.48; and
- 1.3 revise its policies to be in compliance with federal requirements by discontinuing use of IPE Development Plans for the provision of VR services to eligible transition-age youth and submit the revised draft policies to RSA for review.

## **Focus Area – Allocation and Expenditure of VR and SE Program**

### **Example 1: Maintenance of Effort**

#### **Legal Requirement:**

- VR Program Regulations – 34 CFR 361.62

**Finding:** The DSU is not in compliance with federal regulations at 34 CFR 361.62(a)(1) that require a state's total expenditures for a fiscal year to equal or exceed the total expenditures for the fiscal year two years prior. To illustrate this concept, the DSU's non-federal expenditures under the VR program for FY 2009 must equal or exceed the agency's non-federal expenditures for the VR program in FY 2007. After reviewing the DSU's final SF-269 reports for FY 2009 (12/31/10) and FY 2007 (12/31/08), the DSU failed to satisfy its MOE requirement under the VR program in 2009 because its non-federal expenditures that year (\$33,627,936) were \$211,404 less than its non-Federal expenditures in FY 2007 (\$33,839,340).

In accordance with 34 CFR 361.62(a)(1), RSA assessed a MOE penalty of \$191,641 against the DSU's FY 2010 4th quarter VR award in June, 2010. At that time, this was the known MOE deficit based on RSA's review of the DSU's final FY 2007 SF-269 report and the DSU's FY 2009 6th quarter report (3/31/10) -- the latest report available at that time. Since that time, the DSU has submitted a final SF-269 report for FY 2009, which shows that some of the unobligated non-Federal obligations the DSU had counted towards its MOE obligation in prior reports were never liquidated. As a result, the DSU's MOE deficit for FY 2009, as compared to FY 2007, was actually \$211,404 -- not \$191,641, as assessed in June, 2010. Therefore, the DSU has an additional MOE penalty of \$19,763 and RSA is required to recover those funds through an audit disallowance process (34 CFR 361.62(a)(2)).

### **Example 2: Establishment Projects – Match**

#### **Legal Requirements:**

- VR program regulations at 34 CFR 361.60(b)(3) and 34 CFR 361.12
- EDGAR at 34 CFR 80.20(a)

**Finding:** The DSU has one establishment project with a private non-profit CRP that is in its fourth year. The DSU provides the Federal share of expenditures, as described in 34 CFR 361.5(b)(17)(ii), and the CRP provides the allowed non-federal share of expenditures. Periodically, the CRP submits an invoice to the DSU for payment of the federal share of expenditures as well as a check to cover the non-Federal share of expenditures. Rather than depositing the check into its VR account, as required by 34 CFR 361.60(b)(3), the DSU cashes the check and gives the money back to the CRP as a "working capital advance." When the DSU pays the amount due on the invoice, it only pays the federal share, 78.7 percent, of the expenditures.

Federal regulations require the DSU to deposit into its VR account any contributions made by private entities for purposes of meeting the State's non-Federal share of the expenditures for establishing a CRP (34 CFR 361.60(b)(3)(i)). The DSU also is required to have procedures in

place to administer the VR program properly and efficiently and ensure that funds are accounted for accurately and able to be traced to a level to ensure they were expended in a manner that does not violate federal requirements (34 CFR 361.12 and 34 CFR 80.20(a)). In this case, the CRP – a private non-profit – provided the allowed non-federal share of expenditures to the DSU but the DSU did not deposit this check into its VR account as required by 34 CFR 361.60(b)(3). Instead, the DSU cashed the check and gave the money back to the CRP as an immediate cash advance for working capital. When the DSU paid the invoice submitted by the CRP, the DSU only paid the 78.7 percent allowed federal share. The problem here is that the DSU failed to comply with the required accounting procedures for these funds. The purpose of 34 CFR 361.60(b)(3) is for 100 percent of the expenditures for establishing a CRP to flow through the VR accounting system so that the funds can be traced to ensure that expenditures are allowable as audited through the State’s audit process, and that the DSU can maintain sufficient administrative control over the expenditures to ensure the proper and efficient administration of the program. In this case, only 78.7 percent of the expenditures for the establishment of the CRP flowed through the DSU’s accounting system, thus violating 34 CFR 361.60(b)(3), 34 CFR 361.12, and 34 CFR 80.20(a).

### **Example 3: Establishment**

#### **Legal Requirements:**

- Rehabilitation Act at Section 101(a)(15)
- VR program regulations at 34 CFR 361.3, 361.4, 361.5(b)(9), 361.5(b)(17), 361.5(b)(18), 361.12, 361.13(c), 361.29, 361.35(a), 361.49, 361.60, 361.62(a), 361.64,
- EDGAR at 34 CFR 76.50, 76.701, 76.702, 76.707; 34 CFR 80.3, 80.20(a), 80.36(a), 80.40(a)
- OMB Circular A-87, Attachment A, Section C

**Background:** In late FY 2006, the DSU was concerned that it would not be able to satisfy its match or MOE requirements under the VR program that fiscal year. At the time, The DSU’s records indicated that it would have a match deficit of \$1,419,000 and a MOE deficit (as compared to non-Federal expenditures in FY 2004) of \$7 million. The DSU cited the following reasons for the decrease in non-Federal expenditures that year: 1) The DSU implemented initiatives to improve counselor efficiency and accountability, resulting in a caseload drop of 16 percent; and 2) The DSU aggressively pursued initiatives to move services to the private sector, resulting in reduced leased office space when the Association was out-sourced. In light of these non-Federal deficits, The DSU awarded “establishment grants” as a means of obligating the VR funds quickly and incurring sufficient non-Federal expenditures to satisfy both its match and MOE requirements prior to the end of FY 2006.

Since late FY 2006, the DSU for the VR program has entered into grant agreements with the Association to distribute VR funds to that entity. In turn, the grant agreements required the Association to use those funds to award subgrants to nonprofit community rehabilitation programs (CRPs), chosen by the DSU, to establish, develop, or improve CRPs pursuant to section 103(b)(2)(A) of the Rehabilitation Act of 1973, as amended (Rehabilitation Act), and 34 CFR 361.49(a)(1). The grant agreements prohibited the CRPs from billing the DSU for the VR services provided under both a “fee for service” agreement and under these “establishment”

agreements with the Association. Moreover, the grant agreements required the CRPs to refer to the DSU all individuals with disabilities who were potentially eligible for the VR program, so that the CRPs would provide VR services only to the DSU-eligible individuals under these grant agreements.

The grant agreements identify the DSU as the “State” and the Association as the “grantee.” The DSU cited State Code (SC) 12-12-1-4.1(a)(2) and (3) as its authority to enter into these grant agreements:

Sec. 4.1 (a): The bureau may do the following:

- (2) Contract with governmental units and other public or private organizations to provide any of the vocational rehabilitation services permitted or required by this article, SC 12-8-1-11, SC 12-9-6, and SC 12-11-6.
- (3) Provide or contract for the provision of other services that are consistent with the purposes of this article, SC 12-8-1-11, SC 12-9-6, and SC 12-11-6.

We note that the State Code provision refers to contracting for services, not awarding grants.

#### The DSU and the Association Subgrant:

The DSU and the Association entered into the initial grant agreement (EDS #XX-XXX-XX-XXXX) on August 30, 2006, under which the DSU awarded approximately \$6 million in VR funds to the Association “for eligible costs of the project or services, plus an amount not to exceed \$179,999.95 for administrative costs.” According to its terms, the initial grant covered the period of August 15, 2006 through September 30, 2007 (time period covers 13 months from late FY 2006 through FY 2007); however, neither the DSU nor the Association signed the grant agreement until August 30, 2006. The grant agreement’s other signatories – State’s Department of Administration, Office of Management and Budget, and Office of the Attorney General – did not sign the grant agreement until October 19, 2006, November 9, 2006, and November 20, 2006, respectively. The DSU identified four priority areas for these agreements: school-to-work transition, corporate level job development, program innovation, and outreach to special populations. According to the Final Summary of the grants, submitted to the DSU by the Association, \$4,252,660 (71 percent of the total \$6,004,046 awarded) was expended or obligated at the end of FY 2007.

The parties amended the grant agreement in January 2007 (Amendment #1) “to add a service component for customized employment and increase funding by \$385,000 to cover this service component.” The parties amended the grant agreement again in September 2007 (Amendment #2) to provide a grant of \$7 million in VR funds to the Association for a second year of funding, plus an amount not to exceed \$210,000 for administrative costs. Amendment #2 extended the grant period to cover October 1, 2007 to September 30, 2008 (FY 2008). The DSU listed three priority areas for the FY 2008 agreement: school-to-work transition, return-to-work initiatives/beneficiary rehabilitation, and program innovation. According to the Final Summary submitted by the Association to the DSU, \$1,029,903.58 was obligated to fund “new” subgrants and \$5,647,265.47 was obligated to fund continuation subgrants, with a total of \$6,676,265.47 obligated by the end of FY 2008.

### The Association and CRP Subgrants:

In FY 2006, the Association and the CRPs executed 37 subgrants for the purposes of establishing, developing, or improving CRPs for the provision of VR services to the DSU consumers, pursuant to section 103(b)(2)(A) of the Rehabilitation Act and 34 CFR 361.49(a)(1). FY 2006 VR funds were used to award these subgrants, which ended September 30, 2007 (FY 2007). The subgrants required each of the CRPs to provide non-Federal expenditures equaling 21.3 percent of the total VR expenditures under the subgrants towards the DSU's non-Federal share requirement of the VR program.

In FY 2008, the Association and the CRPs executed 39 subgrants, which ended September 30, 2008 (FY 2008). The formal Request for Funding (RFF) announcement was sent to potential applicants on July 19, 2007, requesting proposals for "establishment" projects for the 12-month period from September 30, 2007, through September 30, 2008. According to the RFF, entities receiving a "new" subgrant in FY 2008 would be required to provide a 21.3 percent match, just as all subgrantees were required to do during the awards made the prior year. The RFF said that those CRPs receiving "continuation" grants would be required to provide match of 25 percent of staffing cost, pursuant to 34 CFR 361.5(b)(17)(ii), and 21.3 percent for non-staffing costs, pursuant to 34 CFR 361.60(b)(3)(i). Thirty of these subgrants were "continuation" grants for projects funded during the prior grant period (August 2006 through September 2007). Although the RFF indicated these continuation subgrants would be for "establishment" activities, the information RSA reviewed indicates that the DSU actually treated these "continuation" subgrants as "innovation and expansion" activities pursuant to section 101(a)(18)(A)(i) of the Rehabilitation Act and 34 CFR 361.35(a)(1) and, as such, the DSU did not collect non-Federal funds for match purposes under the VR program from these CRPs. The remaining nine "new" subgrants were awarded to establish, develop, and improve a CRP pursuant to section 103(b)(2)(A) of the Rehabilitation Act and 34 CFR 361.49(a)(1), and these CRPs did provide the non-Federal expenditures for match purposes pursuant to 34 CFR 361.60(b)(3)(i). FY 2007 VR funds were used to award these 39 subgrants.

**Finding:** The DSU used VR funds, presumably under the establishment authority of section 103(b)(2)(A) of the Rehabilitation Act and 34 CFR 361.49(a)(1), to expand and enhance the provision of VR services by CRPs at the local level. In turn, the DSU used non-Federal expenditures incurred by the CRPs towards meeting the DSU's non-Federal share obligation under the VR program. In addition, during the second year of funding to the CRPs, the DSU used VR funds, presumably under the innovation and expansion authority of section 101(a)(18)(A)(i) of the Rehabilitation Act and 34 CFR 361.35, to develop and implement innovative approaches to expand and improve the provision of VR services. RSA's review of the DSU and the Association grant, as well as the Association subgrants to the CRPs, revealed many fundamental flaws.

First, the DSU awarded these funds to the Association in FY 2006 and FY 2008 via a grant, rather than a contract. Neither Title I of the Rehabilitation Act nor its implementing regulations permit state VR agencies to subgrant VR funds to another entity, including the Association. Similarly, the Association, in turn, did not have the authority to further subgrant the VR funds to the CRPs. Therefore, all activities performed under the DSU, the Association grant agreement, and the Association-CRP subgrant agreements are unallowable under the VR program. Because

these were unallowable VR activities, non-Federal expenditures used for match and MOE purposes for these activities also are not allowable under the VR program.

Second, even if the DSU had awarded the funds to the Association pursuant to a contract rather than a grant, and subsequently had further subcontracted the funds to the CRPs, the DSU was not authorized to engage in “establishment” or “innovative and expansion” activities because it had not completed the requisite pre-planning for these activities. The activities were not allowable “establishment” activities because: 1) some of the entities receiving funds did not constitute CRPs; 2) most of the entities provided services to individuals who were not the DSU consumers; and 3) some of the services provided did not constitute VR services. Given that the activities were not allowable under the VR program for the reasons just described, non-Federal expenditures used for match and MOE purposes for these activities also are not allowable under the VR program.

Finally, even if the DSU had utilized the proper procedures to award these funds and satisfied all of the requirements for “establishment” and “innovation and expansion” activities, the DSU failed to maintain administrative control over the VR program. Despite the fact that the DSU had procedures in place to maintain some administrative control over the Association and CRP activities, the DSU delegated key responsibilities to the Association – some of which the VR regulations prohibit the DSU to delegate – and failed to monitor the Association and CRP activities sufficiently to ensure the proper and efficient administration of the VR program, and financial accountability for the expenditure of VR funds.

Each of these fundamental areas of non-compliance will be addressed separately below.

#### **A. No Authority to Subgrant VR Funds**

As described above, the DSU used state’s grant procedures to award VR funds totaling \$6 million in FY 2006 (to be used during late FY 2006 through FY 2007) and \$7 million in FY 2007, plus additional amounts for administrative costs, to the Association (to be used in FY 2008). The grant agreements required the Association, in turn, to subgrant those funds to CRPs chosen by the DSU to establish, develop, or improve CRPs for the provision of VR services to the DSU consumers.

According to 34 CFR 76.50(b)(2), the authorizing program statute determines whether a state may subgrant its Federal funds. Neither Title I of the Rehabilitation Act nor its implementing regulations authorizes the DSU, the grantee in this case, to subgrant its VR funds to the Association or for the Association to further subgrant those funds to the CRPs. In contrast, where there is authority to subgrant, the program regulations will do so (see, for example, the authority to subgrant under Title VII of the Rehabilitation Act, which governs the state Independent Living Services Program, at 34 CFR 365.23). Therefore, the DSU failed to comply with 34 CFR 76.50 when it awarded VR funds through a subgrant to the Association, and in turn, required the Association to further subgrant the VR funds to the CRPs.

#### **B. Inappropriate Sole Sourcing to the Association**

Even if the DSU had used the state’s procurement procedures to award VR funds to the Association via a contract, as required by 34 CFR 80.36(a), the DSU may not have followed its

own state procedures when it awarded the funds to the Association on a sole source basis. Generally, state, as well as federal, procurement procedures emphasize the need for procurements to be conducted in a manner that provides full and open competition (see, e.g., 34 CFR 80.36(c)). Sole source procurements generally are only used when the goods or services purchased are necessary for the proper and efficient performance of the federal grant program, and are only available from a single source. The DSU claimed that it awarded the funds on a sole source basis because its historical relationship with the Association made that mechanism more expedient. Neither the DSU nor the Association argue that the Association had unique skills or qualifications to justify this sole source award. The nature of the administrative duties performed by the Association would not appear to justify the issuance of a sole-source award to that entity. RSA will need further information, particularly a copy of the state's procurement procedures, to determine the extent of the DSU's compliance with State's law regarding the awarding funds to the Association on a sole source basis.

### **C. Unallowable VR Activities – “Establishment” and “Innovation and Expansion”**

“Establishment, development, or improvement of a CRP activities are designed to assist public or non-profit CRPs in providing VR services to the DSU consumers to help maximize their opportunities for employment, including career advancement (34 CFR 361.5(b)(9) and (17)). “Innovation and expansion” activities are those designed to expand and improve the provision of VR services to individuals with disabilities, especially those with the most significant disabilities (section 101(a)(18)(A)(i) of the Rehabilitation Act and 34 CFR 361.35(a)(1)). Even if the DSU had used the proper competitive procurement procedures to award the VR funds to the Association, and the Association had done the same with the CRPs, the DSU failed to comply with key requirements for the establishment, development, or improvement of a CRP, and for innovation and expansion activities, namely by failing to: 1) pre-plan sufficiently for these activities; 2) award “establishment” funds only to CRPs; 3) serve only VR consumers under the “establishment” authority; and 4) provide only VR services. Given the DSU's failure to comply with these fundamental requirements, as described in more detail below, The DSU was not authorized to engage in these activities under the VR program.

#### **1. Failure to Pre-Plan for “Establishment” and “Innovation and Expansion” Activities**

Section 101(a)(15) of the Rehabilitation Act and 34 CFR 361.29 require that the DSU engage in substantial planning prior to starting “establishment” activities pursuant to section 103(b)(2)(A) of the Rehabilitation Act and 34 CFR 361.49(a)(1), and “innovation and expansion” activities pursuant to section 101(a)(18)(A)(i) of the Rehabilitation Act and 34 CFR 361.35(a)(1). The DSU, together with its State Rehabilitation Council (SRC), must conduct an assessment of VR needs in the state every three years and include the results of that needs assessment in its State Plan (section 101(a)(15)(A) of the Rehabilitation Act and 34 CFR 361.29(a)). The assessment identifies the VR needs of individuals with the most significant disabilities and those from unserved or underserved populations, and includes a description of whether there is a need to establish, develop, or improve a CRP (section 101(a)(15)(A) of the Rehabilitation Act and 34 CFR 361.29(a)(1)). The DSU must use the results from its triennial needs assessment to develop goals and priorities for carrying out its VR program (section 101(a)(15)(C) of the Rehabilitation Act and 34 CFR 361.29(c)). The DSU must develop strategies for how it would address the identified VR needs within the state and achieve its goals and priorities, including those related



to the establishment, development, or improvement of a CRP (section 101(a)(15)(D) of the Rehabilitation Act and 34 CFR 361.29(d)). None of the DSU's State Plans for FYs 2006 through 2008 contained information from the triennial needs assessment that identified the DSU's goals, priorities, and strategies for engaging in activities to develop innovative approaches to improve or expand the provision of VR services to individuals with disabilities, or for establishing, developing, or improving a CRP, as required by section 101(a)(15) of the Rehabilitation Act and 34 CFR 361.29. Without satisfying these requirements, the DSU could not use VR funds under section 101(a)(18)(A)(i) of the Rehabilitation Act and 34 CFR 361.35.

In addition to these State Plan requirements, the DSU must develop and maintain written policies covering the nature and scope of VR services that will be provided to groups of individuals with disabilities, including those involving the establishment, development, or improvement of CRPs (34 CFR 361.49(b)(1)). These policies also must set forth the criteria under which these services will be provided (Id.). The DSU policies that RSA reviewed did not meet these requirements. Given that the DSU failed to satisfy both the State Plan and policy development requirements, the DSU was not authorized to use VR funds under section 103(b)(2)(A) of the Rehabilitation Act and 34 CFR 361.49(a)(1) to establish, develop, or improve a CRP, or to engage in innovation and expansion activities pursuant to section 101(a)(18)(A)(i) of the Rehabilitation Act and 34 CFR 361.35.

## **2. Some Subrecipients Do Not Satisfy Definition of a CRP**

In its RFFs, the DSU advertised that any private not-for-profit DSU or organization, or any public CRP was eligible to apply. While most of the entities that received VR funds under the Association subgrants had a history of providing VR services to the DSU consumers and met the definition of a CRP, as defined at 34 CFR 361.5(b)(9)(i), two entities (entity X and entity Y) did not meet the definition of a CRP and, therefore, should not have received VR funds pursuant to 34 CFR 361.49(a)(1).

For purposes of the VR program, a CRP is an entity that provides directly, or facilitates the provision of, VR services to enable individuals with disabilities to maximize their opportunities for employment (34 CFR 361.5(b)(9)(i)). This entity must be a DSU, organization, or institution, or unit of a DSU, organization, or institution, that provides directly or facilitates the provision of VR services as one of its major functions (34 CFR 361.5(b)(9)(ii)). According to the information RSA reviewed while on-site, as well as the information on the one entity's website, the entity is an advocacy organization that, among other things, promotes the mental health and recovery of all state citizens through educational programs to increase public understanding and acceptance of persons with mental illness and addiction disorders. Neither the first entity nor a unit within its organizational structure delivers VR services to individuals with disabilities. Similarly, there is no evidence that the second entity or a unit within its organizational structure provides direct VR services to individuals with disabilities. According to the information on the second entity's website, the entity is "the state's most well-respected and leading advocacy association for people with intellectual and other developmental disabilities and their families." Neither entity of the state meets the definition of a CRP pursuant to 34 CFR 361.5(b)(9), and, therefore, should not have received VR funding pursuant to 34 CFR 361.49(a)(1).

### **3. Subrecipients Served Non-VR Consumers**

As discussed earlier, CRPs receiving VR funds to establish, develop, or improve a CRP pursuant to 34 CFR 361.49(a)(1), must use those funds to serve only the DSU consumers and applicants. The RFFs issued in July 2006 and July 2007 did not require the CRPs to use the VR funds received under the Association agreements to serve only the DSU applicants or consumers. Instead, the RFFs merely required the CRPs to ensure that “all persons served under this grant should potentially meet [VR] eligibility requirements” (FY 2006 RFF, page 7). The CRPs also were required “to refer those potentially eligible persons to local [the DSU] VR offices” (Id.). However, the RFFs did not require the CRPs to make those referrals to the DSU prior to providing any services.

Nearly all of the 37 projects funded under the initial Association agreement (August 2006 through September 2007) and the 39 agreements funded during the second year (October 2007 through September 2008) served individuals who were not the DSU VR applicants or eligible individuals at the time of service, and many CRPs served individuals who were never referred to the DSU. According to the results of the Association’s tracking of program and fiscal information for all projects funded: 1) none of the CRPs funded were designed to serve only the DSU VR applicants or eligible individuals; and 2) most projects served more individuals than were referred to the DSU.

RSA found similar results when reviewing the Association’s tracking of projects funded during FY 2008.

During on-site monitoring, RSA found only one CRP that appeared to have ensured that all 11 individuals served had been determined eligible for the DSU VR services, as required by 34 CFR 361.49(a)(1) and 34 CFR 361.5(b)(17). The other CRPs indicated to RSA that an individual’s status as a VR applicant or eligible consumer was not a consideration or requirement for service by the CRPs. For example, the CRP (identified in the list above) did not collect any documentation regarding whether the 523 inmates it served in its pre-release classes had a disability; none were clients of the DSU’s VR program. Another example is the first entity project, which used its VR subgrant to serve employers – not the DSU consumers or applicants. For this reason, the DSU failed to comply with the requirement that VR funds, used to provide VR services pursuant to the “establishment” authority of 34 CFR 361.49(a)(1), must be provided solely to the DSU VR consumers.

### **4. Some Subrecipients Provided Non-VR Services**

While many of the CRPs receiving VR subgrants from the Association provided VR services to at least some VR consumers and applicants as required by 34 CFR 361.49(a)(1) and 34 CFR 361.5(b)(17)(i), some subrecipients did not provide VR services at all. For example, entity 1 used the VR funds it received under the DSU’s “establishment” authority to develop training materials for employers about employing individuals with mental illness and traumatic brain injury. Entity 2 used the VR funds it received under the DSU’s “establishment” authority to engage in outreach to minority communities. These services would have been allowable had the DSU contracted with these two entities to provide these same services under other authorities, such as 34 CFR 361.49(a)(4) and (6), which permit the DSU to provide services that benefit

groups of individuals with disabilities who may or may not be the DSU consumers. However, the DSU had no basis to engage in these activities under the “establishment” authority of 34 CFR 361.49(a)(1), and the DSU failed to comply with the requirement that the services provided under the “establishment” authority be VR services provided to the DSU consumers.

## **5. Unallowable Source of Non-Federal Expenditures for Match and MOE Purposes**

The DSU’s agreement with the Association required the Association to subgrant VR funds to CRPs for establishing, developing, or improving a CRP in accordance with 34 CFR 361.49(a)(1). The DSU used non-Federal expenditures equaling 21.3 percent of the total expenditures under those agreements towards satisfying its non-Federal share requirement under the VR program. During the second full year of the agreement FY 2008), the Association awarded “new” subgrants under this same authority, but awarded “continuation” subgrants for the purpose of implementing innovative approaches to the VR service delivery system in accordance with 34 CFR 361.35. The 30 CRPs receiving continuation awards did not put up non-Federal expenditures towards the DSU’s match requirement under the VR program. However, the 9 CRPs receiving “new” grants in FY 2008 for purposes of establishing, developing, or improving a CRP, were required to provide non-Federal expenditures towards the DSU’s match requirement under the VR program.

As described above, the DSU failed to comply with essential requirements for both the “establishment” activities under 34 CFR 361.49(a)(1) and “innovation and expansion” activities under 34 CFR 361.35. As such, the DSU was not authorized under the VR program to engage in these activities in FYs 2006 through 2008. Non-federal expenditures used for satisfying VR match and MOE requirements must be for allowable expenditures under the VR program, which include expenditures for the cost of providing VR services and the cost for administering the VR program (34 CFR 361.3, 34 CFR 361.60(b)(1), and 34 CFR 361.62(a)). The allowable expenditures must be consistent with the cost principles set forth in OMB Circular A-87, Attachment A, Section C. In this case, because the DSU was not authorized to provide these services under the State Plan for FYs 2006 through 2008, non-federal expenditures incurred for these expenditures during that time period may not be used for match or MOE purposes under the VR program. Even if the DSU had used the proper competitive procurement procedures to award these funds via contracts and had complied with all preplanning requirements, the DSU still allowed the Association subrecipients to provide services, pursuant to the “establishment” authority, that were not considered VR services, and to individuals who were not the DSU VR consumers.

## **6. Failure to Maintain Control Over the VR Program**

If the DSU had properly contracted with the Association and the CRPs to provide certain VR services, the DSU would still be responsible for the proper and efficient administration of the VR State Plan, for carrying out all functions for which it is responsible, and for ensuring accurate data collection and financial accountability of the VR program (34 CFR 361.12). In addition, the DSU, as the DSU for the VR program, would be responsible for maintaining control over certain key functions of the VR program. When the DSU inappropriately “granted” portions of the VR program to the Association, it failed to maintain the administrative and financial control of large aspects of the VR program, as required by 34 CFR 361.12.

### **a. The DSU Relinquished a Non-Delegable Function**

The VR regulations require the DSU, as the DSU for the VR program, to retain sole responsibility for certain functions, including the allocation and expenditure of VR funds (34 CFR 361.13(c)(iv)). Even if the DSU had the authority to subgrant VR funds, the DSU would not have had the authority to delegate to the Association the authority to allocate VR funds to the CRPs.

### **b. Failure to Monitor VR Program Activities**

The DSU agreement with the Association stated that the DSU may conduct monitoring reviews of the project, and such reviews would include a detailed analysis of actual expenditures and conformity with amounts for each budget line item (section 4, page 1 of initial agreement). In addition to these fiscal monitoring reviews, the initial agreement also stated that the DSU would approve all claims for the Association services and reimbursements, and would conduct quarterly grant reviews, on-site field reviews, and year-end grant close-out reviews (Exhibit I, Section B). However, despite meeting with the Association and the CRPs quarterly, the DSU did not monitor any of these entities to verify the accuracy of reported expenditures for which these entities received reimbursement. The Association, on the other hand, was responsible for: awarding subgrants to successful applicants; making payments to grantees after reviewing documentation of the approved outcome or deliverable; ensuring non-Federal expenditures (required match) accompany the requests for payments; maintaining auditable grant files; and providing quarterly financial reports to the DSU on all subgrant activities (Exhibit I, Section C). The Association also was responsible for reviewing the mathematical accuracy of invoices received from subgrantees and preparing a spreadsheet to track (or compare) budget line-items and total (to-date) payments to each subgrantee against the approved project budget and total subgrant amount authorized.

Even if the DSU had the authority to subgrant VR funds, Federal regulations at 34 CFR 80.40(a) require the DSU to manage the day-to-day operation of grant-supported activities. In fulfilling this requirement, The DSU is responsible for monitoring all grant-supported activities to ensure compliance with Federal requirements and that performance goals are achieved. However, the DSU inappropriately delegated these responsibilities to the Association. While RSA noted that the DSU met with the Association and the CRPs quarterly, the DSU did not monitor their activities nor did it verify whether the entities were providing the services to which they agreed to perform. For these reasons, even if the DSU had the authority to subgrant funds, the DSU would have failed to comply with 34 CFR 80.40.

### **c. Failure to Implement Sufficient Internal Controls**

In maintaining administrative control over the VR program, the DSU also must directly administer or supervise each project funded under the grant (34 CFR 76.701). The DSU's fiscal controls and accounting procedures must be sufficient to, among other things, permit the tracing of funds to a level of expenditure adequate to ensure that the funds were expended in a manner consistent with Federal requirements (34 CFR 80.40(a)). In addition, the DSU's fiscal controls and financial accounting procedures must be sufficient to ensure proper disbursement and accounting of all Federal funds (34 CFR 76.702).

Even if the grant agreements between the DSU, the Association, and the CRPs were valid, the DSU had no system in place to ensure that the expenditures invoiced were actually incurred or that the DSU was receiving the services identified in those agreements. The DSU, not the Association, would have had to perform the program administration functions associated with the activities under these agreements, pursuant to 34 CFR 361.12 and 34 CFR 76.701. Furthermore, the DSU would have had to review the invoices, as well as supporting documentation for those invoices, to ensure the accuracy of the invoices and that the providers actually rendered the services claimed. Only through these actions could the DSU have ensured that the VR funds were expended properly, efficiently, and in compliance with Federal requirements, pursuant to 34 CFR 361.12, 34 CFR 76.701, and 34 CFR 80.20(a).

#### **Example 4: Monitoring Grant Activities**

##### **Legal Requirements:**

- VR Program Regulations - 34 CFR 361.12
- EDGAR - 34 CFR 80.20(a)
- EDGAR - 34 CFR 80.40(a)

**Finding:** The DSU is not in compliance with federal regulations at 34 CFR 80.40(a) that require grantees to be responsible for managing daily operations of grant supported activities, and 34 CFR 361.12 and 34 CFR 80.20(a) that require states to have procedures that ensure financial accountability. Contracts that the DSU enters into with CRPs, and individual vendor agreements, constitute grant supported activities and must be monitored by the DSU to ensure compliance with applicable federal requirements and that performance goals are achieved.

- As the recipient of federal funds, the DSU is required to monitor and manage the daily operations of all grant-supported activities (34 CFR 80.40(a)). The DSU has entered into contractual agreements with CRPs to provide services to its consumers. The contracts identify the services the entity is approved to provide, as well as the hourly rate for service provision, including a maximum amount of the contract. During the on-site monitoring visit, RSA discussed the contracts with agency staff, and CRP staff, and learned that the agency does not have procedures in place to monitor the contracts.
- The DSU also has agreements in place with individual vendors to provide services to consumers, including job development and job coaching. Further discussions with agency staff disclosed that the DSU does not have procedures in place to monitor the activities of these individual vendors.
- Furthermore, the DSU's financial participation as a mandatory partner at the 15 One-Stop Career Centers is based upon the DSA's cost allocation plan. Since the One-Stop Career Centers have only the two partners, the DSU and DSA, that are part of the same agency, they have not developed a description regarding the allocation of shared costs related to the operation of the One-Stop Career Centers. Instead, the agency relies upon the DSA's cost allocation plan and budget, which identifies partner costs based upon biweekly FTE hours tracked for each partner. DSA staff were able to identify charges and vendors, but were

unable to demonstrate what specific services the funds purchased. As a result, the DSU is not able to effectively monitor the shared costs of the One-Stop Career Centers.

- Overall, the DSU does not have procedures in place to monitor the services provided: 1) through the CRP contracts that provide services to the DSU's consumers, 2) individual vendors, or 3) One-Stop Career Centers to ensure that funds expended were for allowable services to eligible consumers of the VR program. As a result, the DSU has not monitored the activities under the contracts, individual vendors, or One-Stop Career Centers as required by 34 CFR 80.40(a), to ensure that grant-supported activities comply with applicable federal requirements, and that performance goals are achieved.

### **Example 5: Monitoring of Provider Contracts**

#### **Legal Requirements:**

- VR program regulations at 34 CFR 361.12
- EDGAR at 34 CFR 80.20(a) and 80.40(a)

**Finding:** The DSU's Monitoring Unit is responsible for monitoring, per the DSU's own policies and procedures, its CRPs at least once every four years. The DSU policies and procedures clearly define the monitoring process, both for financial and programmatic functions, and the DSU staff document their monitoring activities. While on-site, RSA reviewed 10 of the DSU monitoring reports of various CRPs and noted similar findings were made for each of them, primarily involving improper invoices for consumer services. In each of those monitoring reports, the DSU required the CRPs to submit corrected invoices. In each instance, the CRPs submitted corrected invoices, but also continued to make the same mistakes with other invoices. The DSU did not ensure that the inaccuracies were fixed on a systemic level. Furthermore, RSA noted that the findings against the CRPs also raised concerns with the processing of those invoices by the DSU's own staff. For example, RSA noted:

1. The CRPs routinely submitted incorrect or incomplete invoices for services provided. Many of the invoices lacked necessary information, such as the dates services were provided, consumer social security numbers, costs of the services, and the provider signatures. In addition, some of the invoices contained no purchase order number or did not correspond to the correct purchase order number. Finally, some files contained evidence that purchase orders were issued after the services were provided.
2. The DSU counselors and technicians routinely approved payments to be made despite the fact that the invoices were incomplete or incorrect and without knowing that the services were actually rendered as charged. Furthermore, there were times when the counselors and technicians approved payments for services without taking into account the discounts required by the DSU, thus resulting in an overpayment for those services.

Federal regulations require the DSU to have procedures in place so that it can administer the VR program and carry out all required functions properly and efficiently (34 CFR 361.12). These procedures must enable the DSU to ensure accurate financial accountability for the VR program (Id.). In particular, the DSU must have fiscal controls in place that enable it to expend and account for VR funds to such a degree that it can trace the funds for each activity to ensure that the funds were expended in accordance with Federal requirements (34 CFR 80.20(a)). In

addition, the DSU is required to monitor and manage the day-to-day operations of all grant-supported activities (34 CFR 361.40(a)). The VR services provided by CRPs under contract with the DSU constitute grant-supported activities and must be monitored by the DSU to ensure they comply with all Federal requirements.

The DSU has established and implemented monitoring procedures, as required by 34 CFR 80.40, to ensure that grant-supported activities, such as those by the CRPs, comply with federal requirements. These monitoring activities, including the corrective actions imposed, are well-documented by the DSU staff. However, the DSU does not follow through with the CRPs to ensure that the corrective actions (namely complete and accurate invoices) are implemented systemically so the problem does not recur, and, as a result, the CRPs continue to submit incomplete and inaccurate invoices for services rendered. The DSU's failure to follow through to ensure the CRPs implement systemic corrective actions violates its responsibility to ensure compliance of all grant-supported activities, as required by 34 CFR 361.40.

In addition, the DSU has failed to implement appropriate internal procedures to ensure that its own counselors make payments only for verified services submitted via complete and accurate invoices. The DSU's failure to have these procedures in place constitutes a failure to comply with 34 CFR 361.12 and 34 CFR 80.20, because these lack of procedures make it impossible for the DSU to ensure that it administers the VR program properly and efficiently and that it maintains accurate fiscal accounting of VR funds. The continued failure by the DSU counselors to reject and not pay on the inaccurate or incomplete invoices, compounded the systemic problem of the CRPs continuing to submit inaccurate or incomplete invoices despite being told to submit corrected invoices.

#### **Example 6: Application of Indirect Cost Rate**

##### **Legal Requirements:**

- VR program regulation 34 CFR 361.12
- EDGAR regulation 34 CFR 80.20(a)
- OMB Circulars 2 CFR 225, Appendix A and Appendix E

**Finding:** The DSU is not in compliance with OMB Circular A-87, Attachment A, sections C.3.b and F.1, and Attachment E, section C.3, because in FY 2009 it failed to apply the indirect cost rate (IDCR) to the correct base identified in the indirect cost proposal (IDCP) approved by the U.S. Department of Education (ED), pursuant to 2 CFR part 225, Appendix E, section E.1 (formerly known as OMB Circular A-87, Attachment E, section E.1). The quarterly SF-269, for reporting end date June 30, 2010, submitted by the DSU indicates that the DSU applied the approved IDCR to a base of \$9,985,462 -- rather than a base of \$5,731,746, as approved in the DSU's IDCP.

The DSU submits an annual IDCP to ED, pursuant to 2 CFR 225, Appendix E, section D.1.b. ED uses that IDCP to generate an approved IDCR for the DSU. When applied as approved by ED, the IDCR ensures that indirect costs are applied in an equitable manner across different programs. The ED-approved FY 2009 IDCP for the DSA, which includes the DSU's actual FY 2007 expenditures of \$14,194,233, identified the approved indirect cost base as \$5,731,746. The

indirect cost base is the accumulated direct costs used to distribute indirect costs to individual Federal awards. Of the \$14,194,233 in actual expenditures that year, it was determined that \$5,731,746 were not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Therefore, the amount of these expenditures (\$5,731,746) is the base of costs subject to the indirect cost rate. The FY 2009 IDCRC approved by ED was a fixed rate with carry-forward, meaning that costs may fluctuate and could lead to an increase in the base.

Upon reviewing the DSU's SF-269 for reporting period ending June 30, 2010, RSA noticed that the DSU had applied the approved IDCRC to a base of \$9,985,462 – not the \$5,731,746 base approved by ED. However, because ED had approved the IDCRC as a fixed rate with carry-forward, RSA requested additional information from the DSU to determine whether the agency's FY 2009 expenditures had increased to such an extent that would explain the fact that the base used by the DSU was more than double that approved by ED. In applying the IDCRC to the incorrect base of \$9,985,462, the DSU reported \$540,000 in indirect costs as being charged against VR funds, rather than the approximately \$310,000 in indirect costs that should have been charged to the VR program had the DSU applied the IDCRC to the base from the ED-approved IDCRC.

Therefore, Federal funds were used to pay approximately \$230,000 more in indirect costs in FY 2009 than was approved by the IDCRC. Given that the DSU has not submitted information that justifies the use of \$9,985,462 as a base, it is clear that the DSU failed to comply with OMB Circular A-87, Attachment E, section C.3 by not applying the IDCRC to a base that is based on actual conditions. Furthermore, in failing to apply the IDCRC correctly to the approved IDCRC, the DSU failed to comply with 34 CFR 361.12 and 34 CFR 80.20, which require the DSU to administer the VR program in such a manner that ensures the proper and efficient administration of the program and fiscal accountability. By not charging the rate to the correct base amount, the DSU used \$230,000 more in Federal funds than it should have, resulting in improper expenditures under the VR program.

## **Example 7: Drawdown and Cash Management**

### **Legal Requirements:**

- EDGAR - 34 CFR 80.20(a), 80.21(b) and (i), and 80.50(d)(2)
- Department of Treasury Regulations - 31 CFR 205.33

**Finding:** The DSU is not in compliance with 34 CFR 80.21(b) and 31 CFR 205.33, because it neither minimized the time elapsing between the transfer of funds from the U.S. Department of Education (Department) for its VR grant funds and the DSU's payout of funds for federal assistance program purposes nor did it limit the transfer of funds to the amount required to meet the DSU's actual and immediate cash needs.

RSA reviewed documents submitted related to the drawdown and expenditure of VR funds. The listing of expenditures provided by the accounting manager from the DSA, who effects the drawdowns of DRS's federal funds, showed expenditures of a lesser amount than the amount drawn from the Department's G5 system for FY 2009 and FY 2010. Furthermore, the DSU is not in



compliance with 34 CFR 80.50(d)(2) because it did not immediately refund unobligated VR funds for FY 2009 that it had drawn down to the Department at the closeout of the grant period.

By not complying with these requirements, the DSU also did not satisfy the regulations at 34 CFR 80.20(a) that require the state to have fiscal controls and accounting procedures in place to ensure the proper expenditure and accounting of federal funds.

The financial reports of the DSU show that, under the VR program, the DSU drew down more grant funds than it expended. The Department's drawdown reports do not indicate that the DSU returned any of the unused funds to the U.S. Treasury. Furthermore, after the conclusion of the on-site review, staff from the DSA contacted RSA requesting information on how to return FY 2009 federal funds to the Department.

In FY 2009 and FY 2010, the DSU drew down more VR funds than it reported expending on the program. Further, when the draw downs are compared with expenditures on a quarter-to-quarter basis, the amount drawn down is as much as four times greater than expenditures for those periods.

The tables below compare the amounts of the quarterly draw downs, compiled from the Department's G5 system, with the quarterly federal funds draw downs reported in the DSU's financial reports. The DSU, through DSA staff, did not provide sufficient documentation, such as the daily expenditure reports requested, to demonstrate that the draw downs may have represented timing differences for valid VR expenditures.

**Table X.X**  
**DSU Monthly Drawdowns Compared to Reported Expenditures for FY 2009**

| <b>Date</b> | <b>Draw Downs<br/>Per G5<br/>Net of Returns</b> | <b>Federal<br/>Expenditures<br/>Reported per<br/>Latest SF-269</b> | <b>Difference<br/>between<br/>Funds Drawn<br/>and Funds<br/>Reported as<br/>Expended</b> |
|-------------|---|--|--|
| 12/31/2008  | \$10,300,622                                    | \$15,139,852   | \$4,839,230  |
| 03/31/2009  | \$34,157,671                                    | \$26,330,982   | (\$7,826,689)  |
| 06/30/2009  | \$42,744,694                                    | \$38,331,536   | (\$4,413,158)  |
| 09/30/2009  | \$65,571,137                                    | \$13,271,395   | (\$52,299,742)   |
| 12/31/2009  | \$57,222,070                                    | \$20,939,130   | (\$36,282,940)   |
| 03/31/2010  | \$44,550,579                                    | \$26,330,932   | (\$18,219,647)   |
| 06/30/2010  | \$49,521,575                                    | \$38,331,536   | (\$11,190,039)   |
| 09/30/2010  | \$55,909,759                                    | \$76,390,067   | \$20,480,308   |
| 12/31/2010  | \$76,490,241                                    | \$76,379,991   | (\$110,250)  |

**Table X.X**  
**DSU Monthly Drawdowns Compared to Reported Expenditures for FY 2010**

| <b>Date</b> | <b>Draw Downs<br/>Per G5<br/>Net of Returns</b> | <b>Federal<br/>Expenditures<br/>Reported per<br/>Latest SF-425</b> | <b>Difference<br/>between<br/>Funds Drawn<br/>and Funds<br/>Reported as<br/>Expended</b> |
|-------------|---|--|--|
| 12/31/2009  | \$55,073  | \$55,073   | \$0  |
| 03/31/2010  | \$18,747,122                                    | \$15,748,122   | (\$2,999,000)  |
| 06/30/2010  | \$42,508,860                                    | \$39,509,947   | (\$2,998,913)  |
| 09/30/2010  | \$49,922,624                                    | \$12,875,328   | (\$37,047,296)   |
| 12/31/2010  | \$45,712,638                                    | \$20,658,622   | (\$25,054,016)   |
| 03/31/2011  | *   | \$23,832,127   |  |
| 06/30/2011  | \$46,740,314                                    | \$45,200,796   | (\$1,539,518)  |

\* There were no draw downs recorded in the G5 System for the quarter ending March 31, 2011.

#### **Example 8: Federal Program Income Disbursement**

##### **Legal Requirement:**

- EDGAR - 34 CFR 80.21(f)(2)

**Finding:** The DSU is not in compliance with 34 CFR 80.21(f)(2) which requires grantees to disburse program income prior to requesting additional cash payments. This means that the DSU must disburse all program income prior to requesting a drawdown of additional federal VR funds. The DSU budgeted a portion of the program income received to case services through the electronic case management system. These funds were budgeted, but not expended, prior to the subsequent drawdown of additional federal VR funds. As a result, the DSU drew down additional federal VR funds to cover expenditures while program income remained available for disbursement.

To verify this finding, RSA staff compared the amount of funds drawn down by the DSU, through the Department of Education's G5 Grant's Management System, with the amount of program income funds available for expenditure through the VR counselor's case service budget. The results of the comparison clearly showed that the DSU, on multiple occasions, had drawn down additional federal VR funds while there was a positive balance of undisbursed program income available. For example, the Case Service Allotment Expenditure Report for March 2011 showed that \$62,302.69 was expended in VR Social Security Reimbursement (program income) between 3/1/11 and 3/31/11. During the first week of March 2011, the DSU drew down \$165,310 in cash payments through G5, the Department of Education's Grant Management System. At the time of the drawdown, there was allotted program income that had not been expended.

## **Example 9: Assigning Personnel Costs – VR Program**

### **Legal Requirements:**

- VR Program Regulations - 34 CFR 361.3
- VR Program Regulations - 34 CFR 361.12
- EDGAR - 34 CFR 80.20(a)
- Cost Principles - 2 CFR 225, Appendix B

**Finding:** The DSU is not in compliance with federal regulations at 34 CFR 361.3, 34 CFR 361.12, and 34 CFR 80.20(a) that require VR funds to be used solely for the provision of VR services or for the administration of the VR program, that state agencies are responsible for financial accountability, and that procedures must be in place to ensure expenditures are traceable and compliant with federal statutes. Additionally, the DSU has not complied with 2 CFR 225, Appendix B, paragraphs 8.h.4 and 8.h.5, that require employees working on multiple cost objectives to maintain personnel activity reports (PARs) or equivalent documentation that reflect an after-the-fact distribution of the actual activity of each employee.

To constitute an administrative cost under the VR program, expenditures must be incurred in the performance of administrative functions of the VR program (34 CFR 361.5(b)(2)).

Administrative salaries, including those for clerical and other support staff who work under the VR program, constitute a VR-related administrative cost (34 CFR 361.5(b)(2)(xi)). Personnel costs of non-VR programs (i.e. the OIB and Welfare programs) do not constitute VR administrative costs because they do not arise from the performance of administrative functions for the VR program. Therefore, non-VR related expenditures are not allowable under the VR program, pursuant to 34 CFR 361.3, and may not be paid for with VR funds.

RSA requested documentation to support the costs of a sample of staff splitting time across multiple cost objectives. The DSU provided timesheets for all the staff in the sample indicating the amount of time charged to each cost objective, but only one PAR for one individual. A review of the documentation and further discussion with agency staff revealed not all staff utilize PARs to track their time spent working on each cost objective, especially in the northern section of the state, as required in 2 CFR 225, Appendix B, paragraphs 8.h.4 and 8.h.5. Their personnel costs do not reflect an after-the-fact distribution of the actual activity of each employee. The practice of charging non-VR personnel costs to the VR program is not in accordance with the cost principles outlined in 2 CFR 225, 34 CFR 361.3, 34 CFR 361.12, and 34 CFR 80.20(a).

## **Example 10: Inaccurate Financial and Statistical Reporting**

### **Legal Requirements:**

- VR Program Regulations at: 34 CFR 361.12 and 34 CFR 361.63
- EDGAR at: 34 CFR 76.702, 34 CFR 76.720, and 34 CFR 80.20(a)

**Finding:** While monitoring on-site, RSA identified several areas of concern with the financial and statistical reports submitted by the DSU.

### **Program Income:**

Since FY 2003, the DSU has submitted revised SF-269 reports showing substantial increases – in all but one year – in the reported program income amount for the VR program as compared to the amount reported on the 4th quarter SF-269 (dated September 30) for each fiscal year. In FY 2004, the revised SF-269 showed a significant decrease in program income reported for the VR program as compared to the amount reported on the 4th quarter SF-269 for that year (see Table X.X for actual reported program income amounts). While the revised reports may show changes in various fiscal categories reported by the DSU due to the cancellation or liquidation of obligations, the program income amount reported should not change after the end of the 4th quarter of the Federal fiscal year because program income is considered earned in the year it is received (34 CFR 361.63(c)(1)). Revised SF-269s, submitted after the 4th quarter report (dated September 30), therefore, should not show changes in the program income calculation except to correct math errors. While on-site, RSA reviewed the DSU's accounting records and determined that the increased or decreased amount of reported program income in the revised SF-269s for each of the affected fiscal years actually was the result of program income being reported for the wrong fiscal year. In other words, the DSU revised SF-269s to include program income earned in the next Federal fiscal year, but reported it as earned in the prior Federal fiscal year.

The DSU must establish procedures to ensure the proper and efficient administration of the VR program, and these procedures must ensure accurate data collection and financial accountability (34 CFR 361.12). These fiscal controls also must ensure proper disbursement and accounting of Federal funds (34 CFR 76.702). Furthermore, these accounting procedures must be sufficient to permit the DSU to prepare required reports and trace expenditures to a level to ensure that the funds were not used in violation of Federal requirements (34 CFR 80.20(a)). The DSU must submit its reports at the quality level required by the reports (34 CFR 76.720(c)(1)). In this case, the DSU did not have procedures in place to account for its program income properly so that they could be reported accurately in the year earned (the year received).

As a result, the DSU has consistently submitted inaccurate financial reports that required substantial revisions to correct the errors. The DSU's failure to report program income accurately – in the Federal fiscal year received, as required by 34 CFR 361.63(c)(1) – violates Federal requirements to account for and report funds accurately at 34 CFR 361.12, 34 CFR 76.702, 34 CFR 376.720, and 34 CFR 80.20.

**Table X.X**  
**The DSU Program Income: FYs 2003 through 2008**

| <b>FY</b>   | <b>Year-End<br/>SF-269</b> | <b>Final/Latest<br/>SF-269</b> | <b>Difference</b> |
|-------------|----------------------------|--------------------------------|-------------------|
| <b>2003</b> | 15,936,904                 | 21,130,604                     | (5,193,700)       |
| <b>2004</b> | 18,684,191                 | 15,298,354                     | 3,385,837         |
| <b>2005</b> | 11,196,373                 | 12,457,216                     | (1,260,843)       |
| <b>2006</b> | 11,140,020                 | 12,252,706                     | (1,112,686)       |
| <b>2007</b> | 11,614,760                 | 12,401,559                     | (786,799)         |
| <b>2008</b> | 9,261,429                  | 12,565,085                     | (3,303,656)       |

**Lack of Support for Unliquidated Obligations Results in Failure to Satisfy Match Requirements:**  
For the past several years, the DSU has included the following unliquidated obligations on year-end SF-269s submitted to RSA:

- FY 2004 - \$19,414,360
- FY 2005 - \$20,303,713
- FY 2006 - \$23,291,163
- FY 2007 - \$28,251,390
- FY 2008 - \$31,463,173

The DSU did not have supporting documentation, such as schedules or listings, for these unliquidated obligations to verify their accuracy prior to submitting the SF-269s for those years. The DSU used the non-Federal share of these unliquidated obligations (21.3 percent) to meet VR program match, MOE, and carryover requirements applicable to each grant year. While conducting on-site monitoring, RSA reviewed the DSU's financial records and determined that some of the unliquidated obligations were reported in error. As a result, for many of those years, the DSU had thought it had fully utilized its Federal VR grant allotment and had provided sufficient non-Federal expenditures for satisfying its match and MOE obligations under the VR program when in fact it had not. Because of the lack of supporting documentation, The DSU did not realize, until the records were reconstructed during RSA's on-site review, that it had not incurred sufficient unliquidated obligations in FYs 2007 and 2008 to fully utilize the Federal VR allotment and, furthermore, had not provided sufficient non-Federal unliquidated obligations to carryover those funds to the next fiscal year. Consequently, the DSU forfeited the ability to carry over Federal funds and those funds should now be returned to the Treasury.

For example:

- In FY 2007, the DSU submitted a year-end SF-269 reflecting that sufficient non-Federal expenditures and obligations had been made to utilize the entire VR program Federal allotment of \$271,452,802, and \$5,682,196 in additional funds received through the reallotment process, with no Federal funds available for carryover. RSA's review revealed that the FY 2007 SF-269 was incorrect; The DSU in fact had a balance of \$1,141,584 in unobligated federal funds that year. The DSU had not been aware that these Federal funds were no longer available for the DSU's use since the obligation period had long since passed.

- In FY 2008, the DSU submitted a year-end SF-269 reflecting that sufficient non-Federal expenditures and obligations had been made to utilize the entire VR program Federal allotment of \$275,593,209, and \$558,806 in additional funds received through the reallotment process, with no Federal funds available for carryover. RSA's review revealed that the FY 2008 SF-269 was incorrect; The DSU in fact had a balance of at least \$15,280,454 in unobligated Federal funds that year. At the time of this report, the DSU's fiscal staff was continuing to verify the financial records from FY 2008. Therefore, the full extent of the loss of Federal funds is not yet known. However, the DSU had not been aware that at least \$15,280,454 in FY 2008 Federal funds was no longer available for its use since the obligation period had long since passed.

In addition to the inaccurate SF-269s, it became apparent during RSA's review that the DSU's RSA-2 forms submitted for FY 2004 through FY 2008 also are inaccurate. The RSA-2, which includes detailed information about expenditures and obligations incurred during any given fiscal year, could not be reconciled with the SF-269s for the same periods. The DSU did not have supporting documentation to verify the amounts reported on the RSA-2s for FYs 2007 and 2008.

Federal regulations require the DSU to have procedures in place to account for Federal funds properly and efficiently, and to a level to ensure that expenditures were not made in violation of Federal requirements (34 CFR 361.12, 34 CFR 76.702, and 34 CFR 80.20(a)). The DSU also must have procedures in place to ensure the accurate preparation of required reports (34 CFR 76.720 and 34 CFR 80.20(a)(2)). The DSU has consistently submitted inaccurate RSA-2s and SF-269s that have required substantial revisions to correct.

The DSU's lack of supporting documentation or work papers to verify its expenditures and obligations has revealed that the DSU does not have the required procedures in place to properly account for its Federal funds. As a result, the DSU has unknowingly forfeited millions of VR grant funds which could have been avoided had it maintained the necessary documentation to verify its expenditures and obligations. The DSU's repeated submission of inaccurate reports and its lack of procedures to account for funds properly violate 34 CFR 361.12, 34 CFR 76.702, 34 CFR 76.720, and 34 CFR 80.20.

### **Example 11: Unallowable VR Program Expenditures**

#### **Legal Requirements:**

- Rehabilitation Act– Sections 7(38), 103(a) and (b)(6), and 111(a)(1)
- VR Program Regulations– 34 CFR 361.3, 34 CFR 361.5(b)(58), 34 CFR 361.12, 34 CFR 361.48, 34 CFR 361.49(a)(7)
- EDGAR– 34 CFR 80.20(a)
- OMB Circulars– 2 CFR 225, Appendix A, C.1.a, 2 CFR 225, Appendix A, C.2, and 2 CFR 225, Appendix A, C.3.a

#### **Background:**

In FY 2007, the designated State unit (DSU) developed two separate “services to groups” programs pursuant to Section 103(b)(6) of the Rehabilitation Act, 34 CFR 361.49(a)(7) and its

VR agency policy for the provision of services to students with disabilities. These programs are briefly described below.

### **A University's Employment and Academics Program**

On (Month, Day, Year), the DSU entered into an MOU with a university to provide employment services to groups of college students with disabilities who were registered in degree/non degree programs, Adult and Continuing Education or Allied Programs. The Employment and Academics program was designed to assist students with disabilities to navigate through the post-secondary education system, while providing necessary disability-related supports. Through the program, the DSU and the university intended to increase referrals of students to the VR program and the number of youth with disabilities sponsored by DSU who were engaged in college or university training.

Under the MOU, the DSU allocated federal VR program funds, totaling approximately \$X.X million from FYs (Year) through (Year). The majority of this funding was used to cover the salaries and other costs of the university personnel employed in the program and providing services under the MOU and other indirect costs.

### **Contracted LEA Transition Programs**

During the contract years (Month, Day, Year) to (Month, Day, Year), DSU entered into sixty (60) contracts with local educational agencies across the state to provide transition services to students with disabilities during their last two years of high school, prior to exiting the school system. The impetus for programming was to increase referrals from the school system to the DSU and to strengthen coordination and referral documentation. Specifically, the purpose of the program was to “provide school districts opportunities to develop activities and programs for students to gain skills that better prepare them for post high school DSU services and future employment” (per the contract template) through evidence-based transition services provided by LEAs in conjunction with community providers of adult services and community partners (per the first paragraph of the RFP).

Although the RFP stated that contracted transition program funding was to be \$X million (\$X million annually) of federal 110 funds, the DSU reported that through the contracts, it allocated federal and state VR funds totaling \$X.X million and \$X.X million, respectively. The DSU also communicated that \$XX.X million was allocated from the SED through IDEA funds which were blended into one fund with federal and state VR funds to provide the financial resources to operationalize the XX transition programs, staff and resources to be provided to students with disabilities. The majority of this funding was used to cover the salaries and other costs of LEA personnel employed in the transition programs who provide services under the contracts and other indirect costs, as well as costs for equipment and purchased services associated with the transition programs. Although the services provided by each transition program varied, three core services were provided for eligible students that included: transition coordination, orientation to vocational rehabilitation and preparation of eligibility documentation. Since the contract language and template is similar across all XX transition program contracts, for the purpose of the analysis below, RSA has used an example of one transition program contract – Contract between the State Education Department/a State University and a city's Board of

Education for Occupational Training Center (OTC), Contract Number X covering the periods of (Month, Day, Year) through (Month, Day, Year) and (Month, Day, Year) through (Month, Day, Year). The OTC is part of the X School District Category and served as the school lead representing District X.

The DSU terminated both the University/Employment and Academics Program and the contracted LEA transition programs in FY 2010.

### **Finding:**

The University/Employment and Academics Program and the contracted LEA transition programs were not in compliance with Section 103(b)(6) and 34 CFR 361.49(a)(7) because the services provided were beyond the scope of transition-related consultative and technical assistance services to educational institutions permitted as a services to groups. In addition, the expenditure of VR program funds to support these two programs was not allowable as a procurement of VR services to individuals because the costs were not traceable to the provision of VR services to applicants or individuals determined eligible for VR services, as required by Section 111(a)(1) of the Rehabilitation Act; 34 CFR 361.3 and 34 CFR 361.12; and 34 CFR 80.20(a).

### **A. Services to Groups: Consultative and Technical Assistance Services**

Pursuant to Section 103(b)(6) of the Rehabilitation Act and its implementing regulations at 34 CFR 361.49(a)(7), VR services provided for the benefit of groups of individuals with disabilities may include: “Consultative and technical assistance services **to assist educational agencies** in planning the transition of students with disabilities from school to post-school activities, including employment” (emphasis added). As discussed in Finding 3 above, such services may only be provided to educational agencies and institutions, not to individuals or other entities. The MOU establishing the University/Employment and Academics Program and the contracts implementing transition programs were developed pursuant to the DSU’s VR agency policy that governs the provision of “consultative and technical assistance services related to the planning of transition for students with disabilities to postsecondary education and employment activities.” During the on-site portion of the monitoring review, the DSU communicated that the VR agency policy was developed by the agency to implement federal requirements at Section 103(b)(6) of the Rehabilitation Act and 34 CFR 361.49(a)(7) -- was used to implement the University/Employment and Academics Program and transition projects and that it was utilized as a broad fiscal policy to provide funding for experimental services to large groups of individuals with disabilities. However, as described in greater detail below, these written arrangements in their entirety and their implementation clearly demonstrate that these programs were established for the purpose of providing employment-related services to college or high school students, not consultation and technical assistance to the institutions they attended. For example, the University/Employment and Academics Program MOU at Sections X.X and X.X and the first paragraph of the transition program’s RFP #X, as well as the Funding, Population to be Served and Program Description sections substantiate that the University/Employment and Academics Program MOU and transition program contracts were established to provide services to individuals, not for the provision of consultation and technical assistance services to educational agencies. Therefore, the DSU lacked the authority to enter into the



University/Employment and Academics Program MOU and contracted LEA transition programs under Section 103(b)(6) and 34 CFR 361.49(a)(7).

## **B. VR Services for Individuals**

As a recipient of Title I VR funds, the DSU must maintain procedures to ensure that it administers the VR program in an efficient and effective manner and accounts for the proper expenditure of VR funds (34 CFR 361.12 and 34 CFR 80.20(a)). The DSU must ensure that VR funds are spent solely on the provision of VR services and the administration of the VR program (Section 111(a)(1) of the Rehabilitation Act; 34 CFR 361.3). The federal cost principles require that federal funds be spent solely on allowable and allocable costs. To be allowable, costs must be necessary and reasonable for carrying out the federal program (2 CFR 225, Appendix A, C.1.a). To be considered reasonable, the cost must be one that would be incurred by a prudent person (2 CFR 225, Appendix A, C.2). To be allocable to the VR program, the cost must be proportional to the benefit received by the federal program (2 CFR 225, Appendix A, C.3.a).

To constitute an allowable expenditure as a VR service, the costs must be incurred in the provision of VR services to individuals in accordance with their approved IPEs, pursuant to Section 103(a) of the Rehabilitation Act and 34 CFR 361.48, or to groups of individuals with disabilities, pursuant to Section 103(b) of the Act and 34 CFR 361.49 (Section 7(38) of the Rehabilitation Act; 34 CFR 361.5(b)(58)). As discussed above, the services provided through the University/Employment and Academics Program and contracted transition programs were not authorized as services to groups of individuals with disabilities pursuant to section 103(b)(6) of the Rehabilitation Act and 34 CFR 361.49(a)(7) as the DSU asserted in its fiscal policy and resulting MOUs and contracts. Furthermore, the services provided through the University/Employment and Academics Program and contracted transition programs also were beyond the scope of other services to groups authorized under section 103(b) of the Rehabilitation Act and 34 CFR 361.49(a) due to the individualized nature of these services. Therefore, the remainder of this analysis focuses on the provision of services to individuals through the VR program pursuant to section 103(a) of the Rehabilitation Act and 34 CFR 361.48.

Both the MOU establishing the University/Employment and Academics Program and the transition program contracts provide for the delivery of VR services listed in Section 103(a) and 34 CFR 361.48. University personnel employed in the Employment and Academics Program, whose costs were covered by Title I VR program funds under the MOU, included X Employment and Academics Program counselors and employment specialists, one fiscal staff, a program coordinator and the program director. These persons were responsible for the provision of services identified in Section X.X of the MOU, such as assessment, preparation for the development of an IPE, academic counseling, and the coordination of job placement services through the University/Employment and Academics Program Career Placement Services office. University/Employment and Academics Program employees were also responsible for the collection of documentation necessary for the determination of eligibility for VR services.

The contracted transition program personnel employed in the X Board of Education for X Occupational Training Center (OTC) – the transition program contract used for illustrative purposes in this finding – were paid under the contract with Title I VR program funds and IDEA funds for (Month, Date, Year) to (Month, Date, Year) and (Month, Date, Year) to (month, Date, Year). X OTC costs included general operating costs, indirect costs, purchased services and personnel costs, such as salaries and fringe benefits for personnel such as a paraprofessional and travel trainer, principal, assistant principal, project director, guidance counselor, teacher(s), and secretary.

These persons were responsible for the supervision, oversight and coordination of program activities to include travel training; training and exploration activities with students; collaboration with teachers and school personnel, families, VR and community partners; and the three core contract services, including transition coordination, orientation to VR and preparation of eligibility documentation.

Although the above-described services would be allowable under the VR program, pursuant to section 103(a) of the Rehabilitation Act and 34 CFR 361.48, neither the University/Employment and Academics Program MOU nor the transition program contracts clearly required that the individuals to whom these services would be provided be either applicants for or eligible to receive these services under an IPE. Language used in the University/Employment and Academics Program MOU states that the services could be provided to Employment and Academics Program students with disabilities prior to their application for VR services or the determination of their eligibility for such services. Section X.X reads: “Students participating in this Program (“Participants”) must: (Section X.X.X) be University/Employment and Academics Program students; and (Section X.X.X) meet the DSU Guidelines on Eligibility...; or (Section X.X.X) be deemed by University/Employment and Academics Program to meet the Guidelines, and be in the assessment process (the “Presumed Eligible Participants”).” The wording of Section X.X.X makes it obvious that the DSU and University/Employment and Academics Program intended to provide services to some students prior to application and eligibility determination based on the presumption by University/Employment and Academics Program personnel that these students would be eligible for VR services. In addition, Section X.X reads, “University/Employment and Academics Program will provide the following services to Participants who are University/Employment and Academics Program students with disabilities and/or DSU consumers...” Again, this MOU provision makes it clear that the services provided pursuant to the MOU were not limited to VR applicants and consumers, as would be required to be an allowable VR service pursuant to section 103(a) of the Rehabilitation Act and 34 CFR 361.48.

Language used in the transition program Request for Application Proposal (RFP) #X states in the first paragraph: “DSU is seeking proposals from qualified proponents to provide school-to-work transition services for students with disabilities...” Although the Funding section on page X of the RFP states: “The purpose of the RFP is to obtain effective transition services to students with disabilities who meet the federal requirements for DSU Eligibility Certification,” language on page X of the RFP indicates that the target population to be served included high school students who were “potentially” eligible for VR services.

In addition, the Program Description Section of the LEA transition program Contract states: “The following services for eligible students who are within two (2) years of exiting high school will be included in contracts resulting from this RFP: transition coordination, orientation to vocational rehabilitation and preparation of eligibility determination.” It is also stated in the same section of the transition program contract that “resulting contracts must...include: I. Development of multi-year work related experiences for students...job development and job coaching may be part of the proposal for pre-eligible VR students with disabilities; II. Direct assistance with application to, and linkages with, DSU VR services...; III. Parent and student preparation for movement into vocational and other adult services.” Each of these contract provisions makes it clear that the services provided under the transition program contracts, and funded with VR monies, are not limited to individuals who have either applied for or been determined eligible for VR services.

The fact that the transition program contracts are intended to serve non-VR applicants and consumers, as just described, is further reinforced by another contract provision stating that diagnostic vocational evaluations, job development, job coaching and on-the job trainings would not be covered by the transition program contract, but may be purchased separately by VR staff **once a student is determined eligible** (emphasis added). Despite the fact that the transition program contract specifically states that these services will be purchased separately from the transition program contract, the X OTC contract included budgeted costs for purchased services from X, Inc., X Chapter in the amounts of \$X and \$X, respectively (transition program Contract, Appendix B, Budget Summary, Periods 1 and 2, Section IV Purchased Services). These purchased services included the purchase of transition services, such as job development, job coaching, case management, employment counseling, on an individual basis as indicated in the transition IEP, and were provided to transition program students with disabilities who may have been, but were not required to be applicants for or consumers of VR services. Finally, on-site discussions during the review process and an electronic communication sent from DSU to RSA on (Month, Date, Year), confirmed that, “in terms of eligibility, the RFP identifies that the transition program projects could work with students with disabilities who are within two years of school exit in preparing them for transition, including referral to VR.”

In accordance with the RFP, XX transition program contracts and implementation of the transition program projects, students with disabilities were eligible to participate in the transition program projects if they were within two years of exiting the school system and were not required to be applicants for or consumers of the VR program. As such, these students also were not required to have an IPE developed with DSU to participate in the transition program projects and receive services under these contracts.

Furthermore, the implementation of the University/Employment and Academics Program and transition program contracts demonstrates that VR services were actually provided to students with disabilities who were not applicants or eligible to receive services under the VR program. The University/Employment and Academics Program MOU established a minimum target of X,000 participants over the three-year duration of the program. DSU provided data during the on-site portion of the review demonstrating that as of (Month, Year), the University/Employment and Academics Program had served X,XXX students, of whom only X,XXX were referred to DSU. Based on these data, at least 2XX students received services without becoming applicants for VR services or being determined eligible to receive services under the VR program. DSU

was not able to provide information to document at what stage the X,XXX students, served under the University/Employment and Academics Program and referred to the VR program, were actually referred to the VR program. Therefore, it is not clear whether these students received services prior to referral and application status, as was permitted by the University/Employment and Academics Program MOU.

During the period of the condensed multi-year term of (Month, Day, Year) through (Month, Day, Year), the transition program contracts served more students who were not DSU applicants or determined eligible for DSU services at the time of service provision than those contracted LEA transition program students who applied for DSU services or who were determined eligible for DSU services. Furthermore, school districts and LEAs served individuals through the transition program contracts who were never referred to DSU.

During the on-site monitoring review, DSU provided RSA with the transition program Quarterly State Report issued on (Month, Date, Year) by the X University. According to the (Month, Year) University transition program Quarterly State Report which analyzed DSU's Case Management System (CaMS) data developed from its tracking of program and fiscal data related to the transition program contracts, the contracted transition program, as a whole, enrolled XX,XXX students, as of (Month, Day, Year) (Executive Summary, page 2). Of these, only X,XXX applied for VR services between (Month, Day, Year) and (Month, Day, Year) per DSU's CaMS data (DSU Referral, page 47). This meant that X,XXX students received services under the transition program contract who were neither VR applicants nor VR consumers. This data further reinforces the fact that the transition program contracts were not intended to be limited solely to VR applicants and consumers despite the fact that individualized services must only be provided to such persons in accordance with section 103(a) of the Rehabilitation Act and 34 CFR 361.48. The data reported by the Month, Year) X University transition program Quarterly State Report substantiates that: 1) Transition program were not designed to serve only DSU VR applicants or eligible individuals; and 2) the Transition program served more individuals than who applied for or were determined eligible for VR services.

Finally, as with any cost paid with VR funds, the cost must be allowable under the VR program (Section 111(a)(1) of the Rehabilitation Act; 34 CFR 361.3) and traceable to a level of expenditure to ensure that the cost was allowable under the program (34 CFR 361.12; 34 CFR 80.20(a)). During the course of the review, RSA obtained information indicating that no documentation was obtained by DSU from University/Employment and Academics Program or the school districts participating in transition programs to ensure that VR funds were expended on the provision of VR services to DSU consumers and that could support that the amounts expended under the MOU and transition program contracts to cover the costs of program personnel were proportional to the benefit the VR program received. Given these deficiencies, the expenditure of VR funds under the University/Employment and Academics Program and contracted transition programs was neither allowable under, nor allocable to, the VR program in accordance with federal cost principles at 2 CFR 225 to the extent that those funds were used to serve individuals who were not DSU consumers or applicants.

In summary, the University/Employment and Academics Program and contracted transition programs were not in compliance with Section 103(b)(6) and 34 CFR 361.49(a)(7) because the services provided were beyond the scope of transition-related consultative and technical assistance services to educational institutions. The services provided also were beyond the scope of any other permissible services to group under section 103(b) of the Rehabilitation Act and 34 CFR 361.49(a) because the services provided were individualized services. Given the individualized nature of these services, DSU would have been able to provide them pursuant to agreements with vendors only to the extent that those services were provided solely to VR applicants and consumers, as required by section 103(a) of the Rehabilitation Act and 34 CFR 361.48. However, as the contracts stated, and the data supported, both the University/Employment and Academics Program and contracted transition programs served individuals who were neither applicants nor recipients of VR services. Therefore, these agreements also failed to comply with section 103(a) and 34 CFR 361.48. In addition, the expenditure of VR program funds to support these two programs was not allowable as the costs were not traceable to the provision of VR services to applicants or individuals determined eligible for VR services, as required by Section 111(a)(1) of the Rehabilitation Act; 34 CFR 361.3 and 34 CFR 361.12; and 34 CFR 80.20(a).

**Corrective Action 4:** DSU must:

1.1 submit a written assurance, within 10 days of receipt of the final monitoring report, that DSU will no longer provide transition services to individual students with disabilities using the authority provided for under Section 103(b)(6) of the Rehabilitation Act and 34 CFR 361.49(a)(7); that it will only provide VR services to program applicants or individuals determined eligible to receive such services under an approved IPE in accordance with Section 103(a) of the Rehabilitation Act and 34 CFR 361.48; and, that it will develop and maintain procedures that ensure it will obtain sufficient documentation from parties to MOUs, contracts or other forms of agreement demonstrating that VR funds are expended solely for allowable purposes under the VR program in accordance with section 111(a)(1) of the Rehabilitation Act, 34 CFR 361.3, and 2 CFR 225, Appendix A, C.1.a, and that such expenditures are proportional to the benefit received by the VR program pursuant to 2 CFR 225, Appendix A, C.3.a.

**Example 12: Contract Monitoring**

**Legal Requirements:**

- VR Program Regulations – 34 CFR 361.12
- EDGAR – 34 CFR 80.20(a) and 34 CFR 80.40(a)

**Finding:** The DSU is not in compliance with 34 CFR 80.40(a) because it does not monitor the CRP agreement in a manner that assures compliance with applicable federal requirements.

As a recipient of federal funds, the DSU is required to implement policies and procedures for the efficient and effective administration of the VR program to ensure that all functions are carried out properly and financial accounting is accurate (34 CFR 361.12). The DSU must also implement fiscal controls to ensure that VR funds are expended and accounted for accurately and

that expenditures are traceable to a level sufficient to determine that such expenditures were made in accordance with applicable federal requirements (34 CFR 80.20(a)). Grantees must monitor grant-supported activities to assure compliance with the federal requirements of 34 CFR 361.12 and 34 CFR 80.20(a) and that performance goals are being achieved (34 CFR 80.40(a)).

RSA reviewed invoices submitted and paid under the CRP agreement, noting that the CRP submitted invoices itemizing requests for payment for “membership dues” and “food/catering” costs under the agreement. In reviewing the CRP agreement and associated budgets, RSA determined that there was no agreed-upon line item in the agreement for membership dues and food costs. To the extent that these costs are necessary and reasonable for the administration of the VR program under the CRP agreement, these costs may be allowable VR expenditures. However, given the lack of mention of these costs in the agreement language, it is unclear whether these costs would be allowable as administrative costs under the VR program. VR funds must be spent solely on the provision of VR services or the administration of the VR program (34 CFR 361.3). Neither of these costs would constitute VR services, as defined at 34 CFR 361.5(b)(58). Without a further description of these costs and their necessity for purposes of the VR program, it is unclear whether they would constitute administrative costs, as defined at 34 CFR 361.5(b)(2). There was no evidence presented to RSA during the on-site monitoring that the DSU monitored the nature of these costs prior to paying them in accordance with the submitted invoices. Without monitoring or an internal controls mechanism, the DSU is unable to ensure the proper expenditure of VR funds as required by 34 CFR 361.12 and 34 CFR 80.20(a).

Finally, such further monitoring by the DSU is required, especially with regard to food costs to determine whether they are necessary and reasonable, and therefore allowable program costs, in accordance with the Memorandum to ED Grantees Regarding The Use Of Grant Funds For Conferences And Meetings, released by the U.S. Department of Education’s Office of the Chief Financial Office in June, 2013. The memorandum addresses both conference and food costs paid for with federal funds. Specifically, federal grant funds may be used to pay for conference fees and travel expenses (transportation, per diem, and lodging) of grantee employees, consultants, or experts to attend a conference or meeting if those expenses, and number of attendees, are reasonable and necessary to achieve the purposes of the grant. Additionally, grantees hosting a meeting or conference may not use grant funds to pay for food for conference attendees unless doing so is necessary to accomplish legitimate meeting or conference business. For example, costs for a working lunch might be allowable under a federal grant if attendance at the lunch is needed to ensure the full participation by conference attendees in essential discussions and speeches concerning the purpose of the conference and to achieve the goals and objectives of the project. RSA can provide further technical assistance to the DSU, as needed, to ensure proper internal controls are established with regard to the CRP agreement.

## **Appendix B: Third-Party Cooperative Arrangements Review Instrument**

### **VOCATIONAL REHABILITATION PROGRAM**

#### **FEDERAL FY 2014 MONITORING AND TECHNICAL ASSISTANCE GUIDE**

##### **Introduction**

Historically, some vocational rehabilitation (VR) agencies have used sources of match other than state general revenue fund appropriations directed to the designated state unit (DSU) to meet match requirements and capture federal VR program funds. Such matching funds can come from a variety of sources. The use of funds other than state general revenue fund appropriations to the DSU is allowable under the Rehabilitation Act of 1973, as amended (Rehabilitation Act), and there are specific statutory requirements pertaining to the use of such funds. Review of data as well as historical use suggests that the most used sources of alternative match include the use of local funds to create third party cooperative arrangements (TPCA), the focus of this review tool. The federal regulations lay out the requirements for TPCAs 34 CFR 361.28. The regulations at 34 CFR 361.28 read as follows:

- (a) The designated state unit may enter into a third party cooperative arrangement for providing or administering vocational rehabilitation services with another state agency or a local public agency that is furnishing part or all of the non-Federal share, if the designated state unit ensures that--
  - (1) The services provided by the cooperating agency are not the customary or typical services provided by that agency but are new services that have a vocational rehabilitation focus or existing services that have been modified, adapted, expanded, or reconfigured to have a vocational rehabilitation focus;
  - (2) The services provided by the cooperating agency are only available to applicants for, or recipients of, services from the designated state unit;
  - (3) Program expenditures and staff providing services under the cooperative arrangement are under the administrative supervision of the designated state unit; and
  - (4) All State Plan requirements, including a VR agency's order of selection, will apply to all services provided under the cooperative program.
- (b) If a third-party cooperative agreement does not comply with the statewideness requirement in §361.25, the state unit must obtain a waiver of statewideness, in accordance with §361.26.

## **I. The Cooperating Agency Must Furnish All or Part of the Non-Federal Share**

The first requirement for TPCAs is that the third-party cooperating agency is a public agency that furnishes all or part of the non-Federal share. See 34 CFR 361.28(a). The cooperating agency must be a state or local public agency, as defined under 34 CFR 77.1 and required under the VR regulations at 34 CFR 361.28. TPCAs cannot be developed with private non-profit or for-profit entities.

The following questions may be helpful:

1. Is the cooperating agency a state agency or other public agency?
2. Is the cooperating agency furnishing all or part of the non-Federal share for that particular TPCA?

NOTE: If the answer to the above questions is NO, the TPCA is not in compliance with the requirements of §361.28 and §77.1.

3. What is the total cost of the program implemented by the TPCA?
4. What is the breakout of the costs? What is the amount of the non-Federal share (dollars and percentage) contributed by the cooperating agency?
5. What is the amount of the federal share (dollars and percentage) contributed by the VR agency?

Note: The sum of the non-Federal and federal contributions utilized cannot exceed the total cost of the program implemented by the TPCA.

## **II. New or Modified Services with a VR Focus**

The second requirement for TPCAs is “the services provided by the cooperating agency are not the customary or typical services provided by that agency but are new services that have a vocational rehabilitation focus or existing services that have been modified, adapted, expanded, or reconfigured to have a vocational rehabilitation focus.” 34 CFR 361.28(a)(1). The question of whether services are “new” or “modified, adapted, expanded, or reconfigured” may be difficult to discern. The services cannot be services that the cooperating agency is providing or has the legal responsibility to provide.

The purpose of this requirement is to ensure that VR dollars are not being used to supplant what the state is already required to provide. In other words, the cooperating agency cannot use VR funds to pay for the cooperating agency’s current program or current program responsibilities. For example, under the Individuals with Disabilities Education Improvement Act of 2004, (IDEA) schools are required to provide transition services to special education students. Thus, a TPCA that authorizes VR funds for typical transition services may not be appropriate.

The following questions may be helpful in determining whether a service is “new” or “modified, adapted, expanded, or reconfigured”:



1. Does the TPCA specify that the cooperating agency is responsible for providing the VR services specified in the arrangement?
2. When was the TPCA program started?
3. With whom, or with what agency, did the program originate?
4. Are the services provided through the TPCA program also available to individuals through other avenues other than the TPCA? For example, if a high school student is provided job coaching through a TPCA, are other high school students who are not being served through the TPCA also provided job coaching?
5. Were the TPCA already performing the same job functions prior to the TPCA coming into existence?
6. If the TPCA program was dismantled, would the services that it provides still be available to the individuals that it serves?
7. Is there a substantive difference between old services and “new” or “modified, adapted, expanded, or reconfigured” services, rather than just a change in the name?
8. Do the new or modified services have a VR focus?

NOTE: If the services are not “new” or “modified, adapted, expanded, or reconfigured,” then these services cannot be included in the arrangement. If such services are included in the arrangement, the TPCA is out of compliance with §361.28(a)(1).

### **III. The Services are Only Available to Applicants for, or Recipients of, VR services**

The third regulatory requirement for TPCAs is that “the services provided by the cooperating agency are only available to applicants for, or recipients of, services from the designated state unit” 34 CFR 361.28(a)(2). It is important to look for language in the TPCA document that outlines whom the program will serve. Even if the written document states that the program only serves VR individuals, it is important to discern how it unfolds in practice.

The following questions may be helpful in determining whether the services are provided to applicants for, or recipients of, VR services:

1. Have all individuals served through the TPCA program applied for VR services?
2. What role do the VR counselors play in the TPCA program?
3. How and when is eligibility determined?
4. When is an Individualized Plan for Employment (IPE) written?
5. Are non-VR consumers, or consumers who are not applicants, or deemed not eligible for VR, being served through the TPCA?

If the cooperating agencies want to serve individuals who are neither applicants, nor determined eligible, for VR services, the cooperating agencies have that option so long as they do not count the time spent on serving those individuals as part of the non-Federal share under the TPCA. Similarly, the VR agency could neither use Title I funds to serve such individuals, nor consider the costs of serving such individuals paid with non-Federal funds in the VR agency’s efforts to comply with the matching requirements under §361.60. These individuals would have to be

served outside of the parameters of the TPCA. RSA recommends that the cooperating agency and VR agency clarify such arrangements in the written agreement implementing the TPCA.

#### **IV. The DSU Must Maintain Administrative Supervision**

The fourth regulatory requirement for TPCAs is that “program expenditures and staff providing services under the cooperative arrangement are under the administrative supervision of the designated state unit” 34 CFR 361.28(a)(3). It is RSA’s position that the third party staff should not be employees of the VR agency.

The following questions may be helpful in determining whether the DSU is maintaining “administrative supervision”:

1. Is there a signed agreement supported by a budget? (Generally, this is enough to meet this requirement.)
2. Who supervises the overall TPCA – the program staff and the funds?
3. Who manages and administers the TPCA - the program staff and the funds?
4. What type of performance evaluation is in place and who / what agency conducts it?
5. Who / what agency maintains control of the expenditures of the program?
6. What are the hiring and firing practices for third party program staff?
7. What agency issues the third-party staff paychecks?
8. Who does the TPCA program staff consider as their boss or supervisor?
9. Who performs the non-delegable duties outlined in 34 CFR 361.13?

For example, a TPCA transition program’s third-party staff are employees of the schools (the schools do the hiring and firing, issue the paychecks, etc), however the VR agency maintains control of expenditures, has authority over the third party staff, is involved with the interview process, performs continuous reviews of the schools’ progress, conducts annual reviews of performance expectations, and maintains control of the non-delegable functions of the VR program. This would meet the requirement of “administrative supervision” even though the third party staff members are not employees of the DSU, but rather are employees of the school.

NOTE: If there is no administrative supervision exercised by the VR agency, RSA should provide technical assistance to restructure the arrangement document to clearly specify the services to be provided and provisions to ensure that the VR agency is involved in any changes in the arrangement.

#### **V. State Plan Requirements Apply**

The fifth regulatory requirement for TPCAs is that “all State Plan requirements, including a VR agency’s order of selection, will apply to all services provided under the cooperative program” 34 CFR 361.28(a)(4). If an agency is on an order of selection, the TPCA program must also adhere to the Order of Selection (OOS) for the individuals that it serves.

The following questions may be helpful:

1. Is the VR agency on an OOS?

2. If so, are the individuals served in the TPCA program selected based on that OOS?
3. Is informed choice followed and available to those served under the arrangement?
4. Are there any limits or caps on services?
5. Are there any other requirements within the agency's State Plan that are not being adhered to by the TPCA program?

NOTE: If this requirement is not met, the RSA team should provide technical assistance to restructure the arrangement language to clearly specify that all State Plan requirements are to be met and eliminate provisions that are not consistent with the State Plan.

## **VI. Statewideness**

The final regulatory requirement for TPCAs is that “if a third-party cooperative agreement does not comply with the statewideness requirement in §361.25, the state unit must obtain a waiver of statewideness, in accordance with §361.26” (34 CFR 361.28(b)). Pursuant to 34 CFR 361.25, “The State Plan must assure that services provided under the State Plan will be available in all political subdivisions of the state, unless a waiver of statewideness is requested and approved in accordance with §361.26.”

The main questions to ask for this requirement are as follows:

1. Are the services provided through the TPCA program available to all individuals across the state? If so, statewideness is met.
2. Are the services provided through the TPCA program offered throughout the state, yet some parts of the state are not participating in the program? If so, this does not meet the statewideness requirement.

For example, if a TPCA transition program is offered in all parts of the state, but is not available in all parts of the state because not all schools in the state participate in the program, then the statewideness requirement is not met and the VR agency must request a waiver of statewideness.

TPCAs allow for the use of local agency funds for matching purposes, and to establish a program particular to a local area or group of VR eligible individuals. Examples include cooperative arrangements with school districts to provide transition services to eligible students receiving special education services from the school system, or working with a county developmental disability or mental health office to establish an employment program for individuals who are eligible for both the county programs and for VR. In these situations, a waiver of statewideness is almost always required.

A VR agency may provide services under a waiver of statewideness when:

- the non-Federal share of the cost of the services to be provided under the waiver is met from funds provided by a public agency;
- the services are likely to promote the vocational rehabilitation of substantially larger numbers of individuals with disabilities, or of individuals with disabilities with particular types of impairments; and

- the VR agency includes in its State Plan, and the Secretary of Education approves, a waiver of statewideness (34 CFR 361.26(a)).

The requirements for a request for a waiver of statewideness are found in 34 CFR 361.26(b). VR agencies must request approval from RSA prior to waiving responsibility for providing services statewide by submitting an attachment to the State Plan. The waiver of statewideness request must:

- identify the types of services to be provided;
- include a written assurance that the cooperating public agency will make available the non-Federal share of funds required for the arrangement;
- include a written assurance that the VR agency approval will be obtained for each service before that service is put into effect; and
- include a written assurance that all other State Plan requirements will apply to all services approved under the waiver.

## Appendix C: Data Tables

### VOCATIONAL REHABILITATION PROGRAM

#### FEDERAL FY 2014 MONITORING AND TECHNICAL ASSISTANCE GUIDE

During the monitoring of the vocational rehabilitation (VR) program in federal fiscal year (FY) 2014, the Rehabilitation Services Administration (RSA) will analyze the performance of the VR agencies using a set of uniform programmatic and fiscal data covering the period beginning in federal FY 2008 and ending in federal FY 2012, the most recently completed fiscal year for which data are available (Tables 2.1 through 2.7). In addition, the review teams will analyze data related to the provision of transition services and the outcomes achieved by youth with disabilities (Tables 3.1 through 3.3 and Tables 3.A.1 through 3.A.9) during the period beginning in federal FY 2008 and ending in federal FY 2012. Presented below are the tables containing the data that will be used during the course of federal FY 2014 monitoring, followed by the formulas from which the data are calculated.

#### I. Fiscal Profile Tables

**Table 2.1 (INSERT AGENCY ACRONYM) VR Resources and Expenditures - FY 2009-2013**

| <b>VR Resources and Expenditures</b>           | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013*</b> |
|--|-------------|-------------|-------------|-------------|--------------|
| Total program expenditures                     |             |             |             |             |              |
| Federal expenditures                           |             |             |             |             |              |
| State expenditures (4 <sup>th</sup> quarter)   |             |             |             |             |              |
| State expenditures (Latest/Final)              |             |             |             |             |              |
| Federal formula award amount                   |             |             |             |             |              |
| MOE penalty from prior year                    |             |             |             |             |              |
| Federal award relinquished amount              |             |             |             |             |              |
| Federal award reallocated amount received      |             |             |             |             |              |
| Federal funds transferred from state VR agency |             |             |             |             |              |
| Federal funds transferred to state VR agency   |             |             |             |             |              |
| Federal award amount (net)                     |             |             |             |             |              |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Federal award funds deobligated          |  |  |  |  |  |
| Federal award funds used                 |  |  |  |  |  |
| Percent of federal formula award used    |  |  |  |  |  |
| Federal award funds matched but not used |  |  |  |  |  |

\* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

**Table 2.1 - VR Resources and Expenditures – Descriptions and Formulas**

| <b>VR Resources and Expenditures</b>           | <b>VR Formula</b>   |
|--|---|
| Total program expenditures                     | The sum of the federal and non-federal expenditures.<br><b>Calculation/Source:</b> Table 2.1: Federal expenditures + State expenditures (latest or final)   |
| Federal expenditures                           | The cumulative amount of disbursements from federal funds.<br><b>Calculation/Source:</b> SF-425/SF-269, latest/final: 10e (SF-425) or 10j (SF-269)  |
| State expenditures (4 <sup>th</sup> Quarter)   | The cumulative amount of disbursements and unliquidated obligations from state funds through September 30 <sup>th</sup> of the award period.<br><b>Calculation/Source:</b> SF-425/SF-269, 4 <sup>th</sup> Quarter: 10j (SF-425) or 10i (SF-269)   |
| State expenditures (latest/final)              | The cumulative amount of disbursements and unliquidated obligations from state funds as reported on the agency's latest or final Federal Financial Report (FFR). Final reports do not include unliquidated obligations.<br><b>Calculation/Source:</b> SF-425/SF-269, latest/final: 10j (SF-425) or 10i (SF-269) |
| Federal formula award amount                   | The amount of the federal funds available to the agency based on the formula mandated in the Rehabilitation Act.<br><b>Calculation/Source:</b> Federal formula calculation  |
| MOE penalty from prior year                    | The amount of the MOE deficit from the previous fiscal year which will result in a penalty against the current fiscal year.<br><b>Calculation/Source:</b> Table 2.2: MOE difference from prior year   |
| Federal award relinquished amount              | Amount of federal award voluntarily relinquished through the reallocation process.<br><b>Calculation/Source:</b> RSA-692  |
| Federal award reallocated amount received      | Amount of funds received through the reallocation process.<br><b>Calculation/Source:</b> RSA-692  |
| Federal funds transferred from state VR agency | Amount of award funds transferred from VR agencies (Blind to General or General to Blind).<br><b>Calculation/Source:</b> Agency transfer request documentation  |
| Federal funds transferred to state VR agency   | Amount of award funds transferred to state VR agencies (Blind to General or General to Blind).<br><b>Calculation/Source:</b> Agency transfer request documentation  |

|  |   |
|--|---|
| Federal award amount (net)               | Federal award amount available after accounting for adjustments to award (e.g., MOE penalties, relinquishment, reallocation and transfers).<br><b>Calculation/Source:</b> Federal formula calculation, RSA-692, agency documentation, SF-425, SF-269, lesser of the 4 <sup>th</sup> Quarter or latest/final: Federal formula calculation – MOE penalty – Relinquished amount from the RSA-692 + Reallocated amount from the RSA-692 + Transferred from using agency documentation – Transferred to using agency documentation |
| Federal award funds deobligated          | Federal award funds deobligated at the request of the agency or as part of the award closeout process. These funds may include matched or unmatched federal funds.<br><b>Calculation/Source:</b> Agency deobligation request documentation, G5 closeout reports   |
| Federal award funds used                 | Amount of federal award funds expended.<br><b>Calculation/Source:</b> Federal formula calculation, RSA-692, agency documentation, SF-425, SF-269, lesser of the 4 <sup>th</sup> Quarter or latest/final: Federal award amount (net) (calculation above) – federal award funds deobligated   |
| Percent federal formula award used       | Percent of federal formula award funds used.<br><b>Calculation/Source:</b> Federal award funds used (calculation above) / Federal formula award amount  |
| Federal award funds matched but not used | This represents unused federal award funds for which the agency provided match.<br><b>Calculation/Source:</b> Table 2.2 federal award funds matched (actual) – Table 2.1 federal award funds used.  |

**Table 2.2 (INSERT AGENCY ACRONYM) Non-Federal Share and Maintenance of Effort  
- FY 2009-2013**

| <b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013*</b> |
|--|-------------|-------------|-------------|-------------|--------------|
| Match required per net award amount                              |             |             |             |             |              |
| Match provided (actual)  |             |             |             |             |              |
| Match difference**   |             |             |             |             |              |
| Federal funds matched (actual)                                   |             |             |             |             |              |
| Percent federal funds matched                                    |             |             |             |             |              |
| Match from state appropriation                                   |             |             |             |             |              |
| Percent match from state appropriation                           |             |             |             |             |              |
| Match from TPCAs   |             |             |             |             |              |
| Percent match from TPCAs   |             |             |             |             |              |
| Match from Randolph-   |             |             |             |             |              |

| <b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013*</b> |
|--|-------------|-------------|-------------|-------------|--------------|
| Sheppard program   |             |             |             |             |              |
| Percent match from Randolph-Sheppard Program                     |             |             |             |             |              |
| Match from interagency transfers                                 |             |             |             |             |              |
| Percent match from interagency transfers                         |             |             |             |             |              |
| Match from other sources   |             |             |             |             |              |
| Percent match from other sources                                 |             |             |             |             |              |
| Maintenance of Effort (MOE) required                             |             |             |             |             |              |
| MOE: Establishment/construction expenditures                     |             |             |             |             |              |
| MOE actual   |             |             |             |             |              |
| MOE difference**   |             |             |             |             |              |

\* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

\*\* A positive amount indicates a deficit. A negative amount indicates a surplus.

**Table 2.2 - Non-Federal Share and Maintenance of Effort – Descriptions and Formulas**

| <b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b> | <b>Formula</b>   |
|--|--|
| Match required per net award amount                              | Non-federal funds required based upon the net amount of the federal award.<br><b>Calculation/Source:</b> (Table 2.1 federal award amount net / 0.787 ) * 0.213   |
| Match provided (actual)  | Amount of match (non-federal share) provided, by the agency.<br><b>Calculation/Source:</b> SF-425, SF-269, lesser of the 4 <sup>th</sup> quarter or latest/final: 10j (SF-425) or 10i (SF-269)   |
| Match difference**   | The difference between match required to access the net federal award funds and the actual amount of match provided by agency.<br><b>Calculation/Source:</b> SF-425, SF-269, lesser of the 4 <sup>th</sup> Quarter or latest/final: ((Federal formula award amount / 0.787 ) * 0.213) – 10j (SF-425) or 10i (SF-269) |
| Federal funds matched (actual)                                   | Total amount of federal funds the agency was able to match based upon the non-federal share reported. The maximum amount of federal funds the agency can access is limited to the federal grant award amount.<br><b>Calculation/Source:</b> (Match provided actual/.213) * .787                                      |
| Percent of federal funds matched                                 | Percent of federal funds matched.<br><b>Calculation/Source:</b> Federal funds matched / federal award amount net   |



| <b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b> | <b>Formula</b>  |
|--|---|
| Match from state appropriation                                   | Match funds state appropriations.<br><b>Calculation/Source:</b> Data provided by state  |
| Percent match from state appropriation                           | Match funds from state appropriations expressed as a percentage.<br><b>Calculation/Source:</b> Match from state appropriation / 10j (SF-425) or 10i (SF-269)  |
| Match from TPCAs   | Funds from Third-Party Cooperative Arrangements (TPCAs) used to meet match requirements.<br><b>Calculation/Source:</b> Data provided by state   |
| Percent match from TPCAs   | Funds from Third-Party Cooperative Arrangements (TPCAs), used to meet match requirements expressed as a percentage of all match provided.<br><b>Calculation/Source:</b> Match from TPCAs / 10j (SF-425) or 10i (SF-269)   |
| Match from Randolph-Sheppard program                             | Funds from Randolph-Sheppard program used to meet match requirements.<br><b>Calculation/Source:</b> Data provided by State  |
| Percent match from Randolph-Sheppard Program                     | Funds from Randolph-Sheppard program used to meet match requirements, expressed as a percentage of all match provided.<br><b>Calculation/Source:</b> Match from Randolph-Sheppard Program / 10j (SF-425) or 10i (SF-269)  |
| Match from interagency transfers                                 | Funds from interagency transfers used to meet match requirements.<br><b>Calculation/Source:</b> Data provided by state  |
| Percent match from interagency transfers                         | Funds from interagency transfers used to meet match requirements, expressed as a percentage of all match provided.<br><b>Calculation/Source:</b> Match from interagency transfers / 10j (SF-425) or 10i (SF-269)  |
| Match from other sources   | Funds from all sources of match not previously listed used to meet match requirements.<br><b>Calculation/Source:</b> Data provided by state   |
| Percent match from other sources                                 | Funds from all other sources used to meet match requirements, expressed as a percentage of all other sources of match.<br><b>Calculation/Source:</b> Match from other sources / 10j (SF-425) or 10i (SF-269)  |
| Maintenance of Effort (MOE) required                             | Maintenance of effort (MOE) is the level of non-federal expenditures established by the state's non-federal expenditures two years prior, i.e. Recipient Share of Expenditures.<br><b>Calculation/Source:</b> SF-425, SF-269, lesser of the 4 <sup>th</sup> Quarter or latest/final: 10j –12a (SF-425) or 10i (SF-269)              |
| MOE: Establishment / construction expenditures                   | Non-federal share of expenditures for construction of facilities for community rehabilitation program (CRP) purposes and the establishment of facilities for community rehabilitation purposes.<br><b>Calculation/Source:</b> SF-425/SF-269, latest/final: 12a (SF-425) or 12 Remarks (SF-269) and verified in source documentation |
| MOE actual   | Non-federal share provided by agency minus establishment/construction expenditures for CRPs.<br><b>Calculation/Source:</b> Match provided actual - establishment/construction expenditures  |
| MOE difference**   | The difference between MOE required and the actual MOE provided.<br><b>Calculation/Source:</b> MOE required – MOE actual  |

\*\* A positive amount indicates a deficit. A negative amount indicates a surplus.

**Table 2.3 (INSERT AGENCY ACRONYM) Program Income - FY 2009-2013**

| <b>Program Income and Carryover</b>     | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013*</b> |
|---|-------------|-------------|-------------|-------------|--------------|
| Program income received                 |             |             |             |             |              |
| Program income expended                 |             |             |             |             |              |
| Program income transferred              |             |             |             |             |              |
| Program income used in VR               |             |             |             |             |              |
| Carryover: federal grant amount matched |             |             |             |             |              |
| Carryover: federal expenditures 9/30    |             |             |             |             |              |
| Carryover amount                        |             |             |             |             |              |
| Carryover as Percent award              |             |             |             |             |              |

\* Indicates the award is currently in an open status; therefore, data is either not currently available or not final.

**Table 2.3 - Program Income – Descriptions and Formulas**

| <b>Program Income and Carryover</b>  | <b>Formula</b>  |
|--------------------------------------|---|
| Program income received              | Total amount of federal program income earned by the grantee through the report period.<br><b>Calculation/Source:</b> SF-425/SF-269, latest/final: 10l (SF-425) or 10t (SF-269)   |
| Program income expended              | Amount of federal program income expended, including transfers.<br><b>Calculation/Source:</b> SF-425/SF-269, latest/final: 10m + 10n (SF-425) or 10q + 10r (SF-269)   |
| Program income transferred           | Amount of federal program income transferred to other allowable programs.<br><b>Calculation/Source:</b> SF-425/SF-269, latest/final: 12e + 12f + 12g (SF-425) or Section 12 Remarks (SF-269)  |
| Program income used in VR            | Amount of federal program income utilized in the VR program.<br><b>Calculation/Source:</b> SF-425/SF-269, latest/final: Program income expended – Program income transferred  |
| Carryover: grant amount matched      | Federal funds an agency is able to draw down based upon on reported non-federal share.<br><b>Calculation/Source:</b> Table 2.2 Federal funds matched actual   |
| Carryover: federal expenditures 9/30 | Federal funds expended by 9/30 of the grant award year. This does not include unliquidated obligations.<br><b>Calculation/Source:</b> SF-425, SF-269, 4 <sup>th</sup> Quarter: 10e (SF-425) or 10j (SF-269)                                 |
| Carryover amount                     | The amount of federal funds matched that the grantee did not liquidate, by 9/30 of the first year. This includes any unliquidated federal obligations as of 9/30.<br><b>Calculation/Source:</b> G5 Reports run as of 9/30 in the first year |
| Carryover as percent of award        | Amount of carryover expressed as a percentage of total federal funds available.<br><b>Calculation/Source:</b> G5, SF-425/SF-269, latest/final: Carryover amount / Federal expenditures 9/30   |

**Table 2.4 (INSERT AGENCY ACRONYM) RSA-2 Expenditures - FY 2008-2012 \***

| <b>RSA-2 Expenditures</b>                    | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Total expenditures                           |             |             |             |             |             |
| Administrative costs                         |             |             |             |             |             |
| Administration as Percent expenditures       |             |             |             |             |             |
| Purchased services expenditures              |             |             |             |             |             |
| Purchased services as a Percent expenditures |             |             |             |             |             |
| Services to groups                           |             |             |             |             |             |
| Services to groups percentage                |             |             |             |             |             |

\*Expenditures for RSA-2 data represent current FY expenditures and carryover from prior FY, including ARRA expenditures for FYs 2009 – 2012; therefore, these figures may differ from the expenditures in Tables 2.1, 2.2, and 2.3 which are from Federal Financial Reports.

**Table 2.4 - RSA-2 Expenditures\* – Descriptions and Formulas**

| <b>RSA-2 Expenditures</b>                       | <b>Formula</b>  |
|---|---|
| Total expenditures                              | All expenditures from federal, state and other rehabilitation funds (including VR, supported employment (SE), program income, and carryover from previous fiscal year). This includes unliquidated obligations.<br><b>Source:</b> RSA-2: Schedule 1.4 |
| Administrative costs                            | Total amount expended on administrative costs under the vocational rehabilitation program.<br><b>Calculation/Source:</b> RSA-2: Schedule 1.1  |
| Administration as percent of expenditures       | Administrative costs expressed as a percentage of all expenditures.<br><b>Calculation/Source:</b> Administrative costs / Total expenditures   |
| Purchased services expenditures                 | Expenditures made for services purchased by the State VR agency.<br><b>Calculation/Source:</b> RSA-2: Schedule 1.2.B  |
| Purchased services as a percent of expenditures | Purchased services expressed as a percentage of all expenditures.<br><b>Calculation/Source:</b> Purchased services expenditures / Total expenditures  |
| Services to groups                              | Expenditures made by the State VR agency for the provision of VR services for the benefit of groups of individuals with disabilities.<br><b>Calculation/Source:</b> RSA-2: Schedule 1.3   |
| Services to groups percentage                   | Services to groups expressed as a percentage of all expenditures.<br><b>Calculation/Source:</b> Services to groups / Total expenditures   |

\*Expenditures for RSA-2 data represent current FY expenditures and carryover from prior FY, including ARRA expenditures for FYs 2009 – 2012. Therefore, these figures may differ from the expenditures in Tables 2.1, 2.2, and 2.3 which are from Federal Financial Reports.

## II. Program Performance Tables for All Individuals

**Table 2.5 (INSERT AGENCY ACRONYM) Case Status, Outcomes, and Quality of Employment Measures for All Individuals - FY 2008-2012**

| For All Individuals  | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| Case status: Total Applicants  |      |      |      |      |      |
| Case status: Total eligible individuals  |      |      |      |      |      |
| Case status: Agency implementing order of selection                                    |      |      |      |      |      |
| Case status: Individuals on Order of Selection waiting list at year-end                |      |      |      |      |      |
| Case status: Individuals in plan receiving services                                    |      |      |      |      |      |
| Case status: Percent accepted for services who received no services                    |      |      |      |      |      |
| Outcomes: Exited with employment   |      |      |      |      |      |
| Outcomes: Exited without employment  |      |      |      |      |      |
| Outcomes: Total received services  |      |      |      |      |      |
| Outcomes: Employment rate  |      |      |      |      |      |
| Outcomes: Competitive employment outcomes  |      |      |      |      |      |
| Outcomes: Percent competitive employment outcomes                                      |      |      |      |      |      |
| Outcomes: Supported employment outcomes  |      |      |      |      |      |
| Outcomes: Percent supported employment outcomes  |      |      |      |      |      |
| Quality measures: Average hourly wage for competitive employment outcomes              |      |      |      |      |      |
| Quality measures: Average hours worked for competitive employment outcomes             |      |      |      |      |      |
| Quality measures: Competitive employment outcomes at 35 or more hours per week         |      |      |      |      |      |
| Quality measures: Percent competitive employment outcomes at 35 or more hours per week |      |      |      |      |      |
| Quality measures: Competitive employment outcomes meeting SGA                          |      |      |      |      |      |
| Quality measures: Percent competitive employment outcomes meeting SGA                  |      |      |      |      |      |
| Quality measures: Competitive  |      |      |      |      |      |

| For All Individuals  | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| employment outcomes with employer-provided medical insurance                                       |      |      |      |      |      |
| Quality measures: Percent competitive employment outcomes with employer-provided medical insurance |      |      |      |      |      |

**Table 2.5 Case Status, Outcomes, and Quality of Employment Measures for All Individuals  
- Formulas**

| For All Individuals   | Formulas  |
|---|---|
| Case status: Total Applicants   | RSA-113, 4th quarter: A.1. Applicants on hand, October 1 + A.2. Applicants this FY  |
| Case status: Total eligible individuals                                 | RSA-113, 4th quarter: A.11. Eligible, before plan, on hand, October 1 + A.12. Eligible, before plan, this FY from application + A.13. Eligible, before plan, this FY from trial work/extended evaluation + A.14. Eligible, before plan, this FY from OOS  |
| Case status: Agency implementing order of selection                     | State Plan Attachment 4.11(c)(3)  |
| Case status: Individuals on Order of Selection waiting list at year-end | RSA-113, 4th quarter: A.10. On OOS waiting list at end of period  |
| Case status: Individuals in plan receiving services                     | RSA-113, 4th quarter: C.1. Individuals implementing plan, on hand, October 1 + C.2. Individuals implementing plan, beginning this FY  |
| Case status: Percent accepted for services who received no services     | RSA-113, 4th quarter: ((D.3. Closed after eligibility, before IPE developed + D.4. Closed after IPE developed, before services initiated + D.5. Closed from OOS waiting list) / (A.11. Eligible, before plan, on hand, October 1 + A.12. Eligible, before plan, this FY from application + A.13. Eligible, before plan, this FY from trial work/extended evaluation + A.14. Eligible, before plan, this FY from OOS)) * 100 |
| Outcomes: Exited with employment  | RSA-911: Total number of individuals where type of closure type = 3   |
| Outcomes: Exited without employment                                     | RSA-911: Total number of individuals where type of closure = 4  |
| Outcomes: Total received services                                       | RSA-911: Total number of individuals where type of closure = 3 or 4   |
| Outcomes: Employment rate   | RSA-911: Total number of individuals who exited with employment divided by total number of individuals who received services multiplied by 100.   |
| Outcomes: Competitive employment outcomes                               | RSA-911: Total number of individuals who exited with employment in an integrated setting with or without supports, self-employment, or Business Enterprise Program (Employment Status at Closure = 1, 3, 4, or 7) and whose hourly wage at closure (Weekly Wage at Closure divided by the Number of Hours Worked in a Week in at Closure) is equal to or greater than the Federal or state                                  |

| For All Individuals  | Formulas   |
|--|--|
|  | minimum wage whichever is higher minus .005.   |
| Outcomes: Percent competitive employment outcomes  | RSA-911: Total number of individuals achieving a competitive employment outcome divided by the total number who exited with employment multiplied by 100.  |
| Outcomes: Supported employment outcomes  | RSA-911: Total number of individuals who exited with employment (Type of Closure = 3) in an integrated setting with supports (Employment Status at Closure = 7).   |
| Outcomes: Percent supported employment outcomes  | RSA-911: Total number of individuals achieving a supported employment outcome divided by the total number who exited with employment multiplied by 100.  |
| Quality measures: Average hourly wage for competitive employment outcomes                          | RSA-911: Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.  |
| Quality measures: Average hours worked for competitive employment outcomes                         | RSA-911: Sum of the hours worked in a week at closure for individuals who exited with a competitive employment outcome / total number of individuals who exited with a competitive employment outcome.   |
| Quality measures: Competitive employment outcomes at 35 or more hours per week                     | RSA-911: Number of individuals who achieved a competitive employment outcome and who worked 35 or more hours in a week at closure.   |
| Quality measures: Percent competitive employment outcomes at 35 or more hours per week             | RSA-911: Number of individuals who achieved a competitive employment outcome and who worked 35 or more hours in a week at closure divided by the total number who exited with a competitive employment outcome multiplied by 100.  |
| Quality measures: Competitive employment outcomes meeting SGA                                      | RSA-911: Number of individuals who achieved a competitive employment outcome and whose weekly earnings at closure is equal to or greater than the monthly substantial gainful activity (SGA) amount as reported by the Social Security Administration (SSA) divided by 4.3 weeks rounded down . Use the SGA blind monthly amount for blind or visually impaired individuals, based on impairment codes 01, 02, and 08. For individuals with all other impairment codes use the non-blind SGA monthly amount. |
| Quality measures: Percent competitive employment outcomes meeting SGA                              | RSA-911: Number of individuals who achieved a competitive employment outcome and met SGA divided by the total number who exited with a competitive employment outcome multiplied by 100.   |
| Quality measures: Competitive employment outcomes with employer-provided medical insurance         | RSA-911: Number of individuals who achieved a competitive employment outcome and whose medical insurance coverage at closure is private insurance through own employment.  |
| Quality measures: Percent competitive employment outcomes with employer-provided medical insurance | RSA-911: Number of individuals who achieved a competitive employment outcome with employer-provided medical insurance divided by the total number who exited with a competitive employment outcome multiplied by 100.  |

**Table 2.6 (INSERT AGENCY ACRONYM) Select VR Services Provided for All Individuals - FY 2008-2012**

| <b>Services Provided for All Individuals Served</b>               | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Total number of individuals served                                |             |             |             |             |             |
| Assessment services   |             |             |             |             |             |
| Percent receiving assessment services                             |             |             |             |             |             |
| Diagnosis and treatment of impairments                            |             |             |             |             |             |
| Percent receiving diagnosis and treatment of impairments          |             |             |             |             |             |
| College or university training                                    |             |             |             |             |             |
| Percent receiving college or university training                  |             |             |             |             |             |
| Occupational/vocational training                                  |             |             |             |             |             |
| Percent receiving occupational/vocational training                |             |             |             |             |             |
| On-the-job training   |             |             |             |             |             |
| Percent receiving on-the-job training                             |             |             |             |             |             |
| Job readiness training  |             |             |             |             |             |
| Percent receiving job readiness training                          |             |             |             |             |             |
| Disability related augmentative skills training                   |             |             |             |             |             |
| Percent receiving disability related augmentative skills training |             |             |             |             |             |
| Miscellaneous training  |             |             |             |             |             |
| Percent receiving miscellaneous training                          |             |             |             |             |             |
| Job search assistance   |             |             |             |             |             |
| Percent receiving Job search assistance                           |             |             |             |             |             |
| Job placement assistance  |             |             |             |             |             |
| Percent receiving job placement assistance                        |             |             |             |             |             |
| On-the-job supports   |             |             |             |             |             |
| Percent receiving on-the-job supports                             |             |             |             |             |             |
| Rehabilitation technology   |             |             |             |             |             |
| Percent receiving rehabilitation technology                       |             |             |             |             |             |
| Other services  |             |             |             |             |             |
| Percent receiving other services                                  |             |             |             |             |             |

**Table 2.6 Select VR Services Provided for All Individuals - Formulas**

The data source for Table 2.6 is the RSA-911. The first row contains the total number of individuals served by the agency (type of closure equal to 3 or 4). To determine the number of individuals who received each of the specified services, sum the number of individuals where services provided is greater than 00. To determine the percent receiving the specified service,

divide the number of individuals who received the specified service by the total number of individuals served multiplied by 100.

**Table 2.7 - Select Measures for All Individuals Served by Type of Impairment - Formulas**

The data source for tables contained in this group of tables is the RSA-911. To determine each type of impairment, use the primary disability code. For visual impairments, use codes 01, 02 and 08. For communicative impairments, use codes 03, 04, 05, 06, 07, and 09. For physical impairments, use codes 10, 11, 12, 13, 14, 15, and 16. For mental/psychosocial impairments, use codes 17, 18, and 19.

| Table | Measure                           | Formula   |
|-------|-----------------------------------|---|
| 2.7a  | Employment outcomes               | For each type of impairment, the total number of individuals where type of closure type = 3.  |
| 2.7a  | Without employment outcomes       | For each type of impairment, the total number of individuals where type of closure = 4.   |
| 2.7a  | Total employment outcomes         | Total number of individuals where type of closure type = 3.   |
| 2.7a  | Total without employment outcomes | Total number of individuals where type of closure = 4.  |
| 2.7b  | Individuals served                | For each type of impairment, the total number of individuals where type of closure = 3 or 4.  |
| 2.7b  | Total individuals served          | Total number of individuals where type of closure = 3 or 4.   |
| 2.7c  | Employment rate                   | For each type of impairment, the total number of employment outcomes divided by total number of individuals served multiplied by 100. |
| 2.7c  | Overall employment rate           | Total number of employment outcomes divided by total number of individuals served multiplied by 100.                                  |

**Table 2.7a (INSERT AGENCY ACRONYM) Outcomes by Type of Impairment - FY 2008-2012**

| Type of Impairment                                | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|------|------|------|------|
| Visual - Employment outcomes                      |      |      |      |      |      |
| Visual - Without employment outcomes              |      |      |      |      |      |
| Communicative - Employment outcomes               |      |      |      |      |      |
| Communicative - Without employment outcomes       |      |      |      |      |      |
| Physical - Employment outcomes                    |      |      |      |      |      |
| Physical - Without employment outcomes            |      |      |      |      |      |
| Cognitive - Employment outcomes                   |      |      |      |      |      |
| Cognitive - Without employment outcomes           |      |      |      |      |      |
| Mental/Psychosocial - Employment outcomes         |      |      |      |      |      |
| Mental/Psychosocial - Without employment outcomes |      |      |      |      |      |



| Type of Impairment                | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------------|------|------|------|------|------|
| Total employment outcomes         |      |      |      |      |      |
| Total without employment outcomes |      |      |      |      |      |

**Table 2.7b (INSERT AGENCY ACRONYM) All Individuals Served by Type of Impairment - FY 2008-2012**

| Type of Impairment                                     | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| Visual - Individuals served                            |      |      |      |      |      |
| Visual - Percent total individuals served              |      |      |      |      |      |
| Communicative - Individuals served                     |      |      |      |      |      |
| Communicative - Percent total individuals served       |      |      |      |      |      |
| Physical - Individuals served                          |      |      |      |      |      |
| Physical - Percent total individuals served            |      |      |      |      |      |
| Cognitive - Individuals served                         |      |      |      |      |      |
| Cognitive - Percent total individuals served           |      |      |      |      |      |
| Mental/Psychosocial - Individuals served               |      |      |      |      |      |
| Mental/Psychosocial - Percent total individuals served |      |      |      |      |      |
| Total Individuals served                               |      |      |      |      |      |

**Table 2.7c (INSERT AGENCY ACRONYM) Employment Rate by Type of Impairment - FY 2008-2012**

| Type of Impairment                    | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------------------------------|------|------|------|------|------|
| Visual - Employment rate              |      |      |      |      |      |
| Communicative - Employment rate       |      |      |      |      |      |
| Physical - Employment rate            |      |      |      |      |      |
| Cognitive - Employment rate           |      |      |      |      |      |
| Mental/Psychosocial - Employment rate |      |      |      |      |      |
| Overall employment rate               |      |      |      |      |      |

### III. Program Performance Tables for Transition-Age Youth

**Table 3.1 (INSERT AGENCY ACRONYM) Case Status, Outcomes, and Quality Employment Measures for Transition-Age Youth - FY 2008-2012**

| For Transition-Age Youth  | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|------|------|------|------|
| Case status: Total Cases Closed   |      |      |      |      |      |
| Case status: Percent Total Cases Closed   |      |      |      |      |      |
| Case status: Exited as an applicant   |      |      |      |      |      |
| Case status: Percent Exited as an applicant   |      |      |      |      |      |
| Case status: Exited during or after trial work experience/extended evaluation         |      |      |      |      |      |
| Case status: Percent exited during or after trial work experience/extended evaluation |      |      |      |      |      |
| Case status: Exited without employment after IPE, before services                     |      |      |      |      |      |
| Case status: Percent exited without employment after IPE, before services             |      |      |      |      |      |
| Case status: Exited from order of selection waiting list                              |      |      |      |      |      |
| Case status: Percent exited from order of selection waiting list                      |      |      |      |      |      |
| Case status: Exited without employment after eligibility, before IPE                  |      |      |      |      |      |
| Case status: Percent exited without employment after eligibility, before IPE          |      |      |      |      |      |
| Outcomes: Exited with employment  |      |      |      |      |      |
| Outcomes: Percent exited with employment  |      |      |      |      |      |
| Outcomes: Exited without employment   |      |      |      |      |      |
| Outcomes: Percent exited without employment   |      |      |      |      |      |
| Outcomes: Employment rate   |      |      |      |      |      |
| Outcomes: Supported employment outcomes   |      |      |      |      |      |
| Outcomes: Percent supported employment outcomes                                       |      |      |      |      |      |
| Outcomes: Competitive employment outcomes   |      |      |      |      |      |
| Outcomes: Percent competitive employment outcomes                                     |      |      |      |      |      |

| For Transition-Age Youth   | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| Quality Measures: Average hourly earnings for competitive employment outcomes                      |      |      |      |      |      |
| Quality Measures: Average hours worked per week for competitive employment outcomes                |      |      |      |      |      |
| Quality Measures: Competitive employment outcomes at 35 or more hours per week                     |      |      |      |      |      |
| Quality Measures: Percent competitive employment outcomes at 35 or more hours per week             |      |      |      |      |      |
| Quality Measures: Competitive employment outcomes meeting SGA                                      |      |      |      |      |      |
| Quality Measures: Percent competitive employment outcomes meeting SGA                              |      |      |      |      |      |
| Quality Measures: Competitive employment outcomes with employer-provided medical insurance         |      |      |      |      |      |
| Quality Measures: Percent competitive employment outcomes with employer-provided medical insurance |      |      |      |      |      |

**Table 3.1 Case Status, Outcomes, and Quality Employment Measures for Transition-Age Youth - Formulas**

The data source for table 3.1 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application.

| Measure   | Formula  |
|---|--|
| Case status: Total Cases Closed   | Total number of individuals exiting the VR program.  |
| Case status: Percent Total Cases Closed   | Total cases closed / total cases closed multiplied by 100  |
| Case status: Exited as an applicant   | Total number of individuals where type of closure type = 1   |
| Case status: Percent exited as an applicant   | Total number of individuals who exited as an applicant divided by the total cases closed multiplied by 100   |
| Case status: Exited during or after trial work experience/extended evaluation         | Total number of individuals where type of closure type = 2   |
| Case status: Percent exited during or after trial work experience/extended evaluation | Total number of individuals who exited during or after trial work experience/extended evaluation divided by the total cases closed multiplied by 100 |

| Measure   | Formula  |
|---|--|
| Case status: Exited without employment after IPE, before services             | Total number of individuals where type of closure type = 5   |
| Case status: Percent exited without employment after IPE, before services     | Total number of individuals who exited without employment after IPE, before services divided by the total cases closed multiplied by 100   |
| Case status: Exited from order of selection waiting list                      | Total number of individuals where type of closure type = 6   |
| Case status: Percent exited from order of selection waiting list              | Total number of individuals who exited from order of selection waiting list divided by the total cases closed multiplied by 100  |
| Case status: Exited without employment after eligibility, before IPE          | Total number of individuals where type of closure type = 7   |
| Case status: Percent exited without employment after eligibility, before IPE  | Total number of individuals who exited without employment after eligibility, before IPE divided by the total cases closed multiplied by 100  |
| Outcomes: Exited with employment  | Total number of individuals where type of closure type = 3   |
| Case status: Percent exited with employment                                   | Total number of individuals who exited with employment divided by the total cases closed multiplied by 100   |
| Outcomes: Exited without employment   | Total number of individuals where type of closure type = 4   |
| Outcomes: Percent exited without employment                                   | Total number of individuals who exited without employment divided by the total cases closed multiplied by 100  |
| Outcomes: Employment rate   | Total number of individuals who exited with employment divided by total number of individuals who exited with or without employment multiplied by 100.   |
| Outcomes: Supported employment outcomes                                       | Total number of individuals who exited with employment (Type of Closure = 3) in an integrated setting with supports (Employment Status at Closure = 7).  |
| Outcomes: Percent supported employment outcomes                               | Total number of individuals achieving a supported employment outcome divided by the total number who exited with employment multiplied by 100.   |
| Outcomes: Competitive employment outcomes                                     | Total number of individuals who exited with employment in an integrated setting with or without supports, self-employment, or Business Enterprise Program (Employment Status at Closure = 1, 3, 4, or 7) and whose hourly wage at closure (Weekly Wage at Closure divided by the Number of Hours Worked in a Week in at Closure) is equal to or greater than the Federal or state minimum wage whichever is higher minus .005. |
| Outcomes: Percent competitive employment outcomes                             | Total number of individuals achieving a competitive employment outcomes divided by the total number who exited with employment multiplied by 100.  |
| Quality Measures: Average hourly earnings for competitive employment outcomes | Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive employment outcome.   |

| Measure  | Formula  |
|--|--|
| Quality Measures: Average hours worked per week for competitive employment outcomes                | Sum of the hours worked in a week at closure for individuals who exited with a competitive employment outcome / total number of individuals who exited with a competitive employment outcome.  |
| Quality Measures: Competitive employment outcomes at 35 or more hours per week                     | Number of individuals who achieved a competitive employment outcome and who worked 35 or more hours in a week at closure.  |
| Quality Measures: Percent competitive employment outcomes at 35 or more hours per week             | Number of individuals who achieved a competitive employment outcome and who worked 35 or more hours in a week at closure divided by the total number who exited with a competitive employment outcome multiplied by 100.   |
| Quality Measures: Competitive employment outcomes meeting SGA                                      | Number of individuals who achieved a competitive employment outcome and whose weekly earnings at closure is equal to or greater than the monthly substantial gainful activity amount as reported by SSA divided by 4.3 weeks rounded down . Use the SGA blind monthly amount for blind or visually impaired individuals, based on impairment codes 01, 02, and 08. For individuals with all other impairment codes use the non-blind SGA monthly amount. |
| Quality Measures: Percent competitive employment outcomes meeting SGA                              | Number of individuals who achieved a competitive employment outcome and met SGA divided by the total number who exited with a competitive employment outcome multiplied by 100.  |
| Quality Measures: Competitive employment outcomes with employer-provided medical insurance         | Number of individuals who achieved a competitive employment outcome and whose medical insurance coverage at closure is private insurance through own employment.   |
| Quality Measures: Percent Competitive employment outcomes with employer-provided medical insurance | Number of individuals who achieved a competitive employment outcome with employer-provided medical insurance divided by the total number who exited with a competitive employment outcome multiplied by 100.   |

**Table 3.2 (INSERT AGENCY ACRONYM) Select VR Services Provided for Transition-Age Youth - FY 2008-2012**

| Services Provided for Transition-Age Youth               | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| Total number of individuals served                       |      |      |      |      |      |
| Assessment services                                      |      |      |      |      |      |
| Percent receiving assessment services                    |      |      |      |      |      |
| Diagnosis and treatment of impairments                   |      |      |      |      |      |
| Percent receiving diagnosis and treatment of impairments |      |      |      |      |      |
| College or university training                           |      |      |      |      |      |
| Percent receiving college or university training         |      |      |      |      |      |

| <b>Services Provided for Transition-Age Youth</b>                 | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Occupational/ vocational training                                 |             |             |             |             |             |
| Percent receiving occupational/vocational training                |             |             |             |             |             |
| On-the-job training   |             |             |             |             |             |
| Percent receiving on-the-job training                             |             |             |             |             |             |
| Job readiness training  |             |             |             |             |             |
| Percent receiving job readiness training                          |             |             |             |             |             |
| Disability related augmentative skills training                   |             |             |             |             |             |
| Percent receiving disability related augmentative skills training |             |             |             |             |             |
| Miscellaneous training  |             |             |             |             |             |
| Percent receiving miscellaneous training                          |             |             |             |             |             |
| Job search assistance   |             |             |             |             |             |
| Percent receiving Job search assistance                           |             |             |             |             |             |
| Job placement assistance  |             |             |             |             |             |
| Percent receiving job placement assistance                        |             |             |             |             |             |
| On-the-job supports   |             |             |             |             |             |
| Percent receiving on-the-job supports                             |             |             |             |             |             |
| Rehabilitation technology   |             |             |             |             |             |
| Percent receiving rehabilitation technology                       |             |             |             |             |             |
| Other services  |             |             |             |             |             |
| Percent receiving other services                                  |             |             |             |             |             |

**Table 3.2 Select VR Services Provided for Transition-Age Youth - Formulas**

The data source for table 3.2 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. The first row contains the total number of transition-age youth served by the agency (type of closure equal to 3 or 4). To determine the number of transition-age youth who received each of the specified services, sum the number of transition-age youth where services provided is greater than 00. To determine the percent receiving the specified service, divide the number of transition-age youth who received the specified service by the total number of transition-age youth served by the agency multiplied by 100.

**Table 3.3 - Select Measures for Transition-Age Youth Served by Type of Impairment - Formulas**

The data source for tables contained in this group of tables is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. To determine each type of impairment, use the primary disability code. For visual impairments, use codes 01, 02 and 08. For communicative impairments, use codes 03, 04, 05, 06, 07, and 09. For physical impairments, use codes 10, 11, 12, 13, 14, 15, and 16. For mental/psychosocial impairments, use codes 17, 18, and 19.

| Table | Measure                           | Formula   |
|-------|-----------------------------------|---|
| 3.3a  | Employment outcomes               | For each type of impairment, the total number of individuals where type of closure type = 3.  |
| 3.3a  | Without employment outcomes       | For each type of impairment, the total number of individuals where type of closure = 4.   |
| 3.3a  | Total employment outcomes         | Total number of individuals where type of closure type = 3.   |
| 3.3a  | Total without employment outcomes | Total number of individuals where type of closure = 4.  |
| 3.3b  | Individuals served                | For each type of impairment, the total number of individuals where type of closure = 3 or 4.  |
| 3.3b  | Total individuals served          | Total number of individuals where type of closure = 3 or 4.   |
| 3.3c  | Employment rate                   | For each type of impairment, the total number of employment outcomes divided by total number of individuals served multiplied by 100. |
| 3.3c  | Overall employment rate           | Total number of employment outcomes divided by total number of individuals served multiplied by 100.                                  |

**Table 3.3a (INSERT AGENCY ACRONYM) Outcomes by Type of Impairment - FY 2008-2012**

| Type of Impairment           | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------------|------|------|------|------|------|
| Visual - Employment outcomes |      |      |      |      |      |

| Type of Impairment                                | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|------|------|------|------|
| Visual - Without employment outcomes              |      |      |      |      |      |
| Communicative - Employment outcomes               |      |      |      |      |      |
| Communicative - Without employment outcomes       |      |      |      |      |      |
| Physical - Employment outcomes                    |      |      |      |      |      |
| Physical - Without employment outcomes            |      |      |      |      |      |
| Cognitive - Employment outcomes                   |      |      |      |      |      |
| Cognitive - Without employment outcomes           |      |      |      |      |      |
| Mental/Psychosocial - Employment outcomes         |      |      |      |      |      |
| Mental/Psychosocial - Without employment outcomes |      |      |      |      |      |
| Total employment outcomes                         |      |      |      |      |      |
| Total without employment outcomes                 |      |      |      |      |      |

**Table 3.3b (INSERT AGENCY ACRONYM) Transition-Age Youth Served by Type of Impairment - FY 2008-2012**

| Type of Impairment                                     | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| Visual - Individuals served                            |      |      |      |      |      |
| Visual - Percent total individuals served              |      |      |      |      |      |
| Communicative - Individuals served                     |      |      |      |      |      |
| Communicative - Percent total individuals served       |      |      |      |      |      |
| Physical - Individuals served                          |      |      |      |      |      |
| Physical - Percent total individuals served            |      |      |      |      |      |
| Cognitive - Total served                               |      |      |      |      |      |
| Cognitive - Percent total individuals served           |      |      |      |      |      |
| Mental/Psychosocial - Individuals served               |      |      |      |      |      |
| Mental/Psychosocial - Percent total individuals served |      |      |      |      |      |
| Total individuals served                               |      |      |      |      |      |

**Table 3.3c (INSERT AGENCY ACRONYM) Employment Rate by Type of Impairment - FY 2008-2012**

| Type of Impairment | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------|------|------|------|------|------|
|--------------------|------|------|------|------|------|



| Type of Impairment                    | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------------------------------|------|------|------|------|------|
| Visual - Employment rate              |      |      |      |      |      |
| Communicative - Employment rate       |      |      |      |      |      |
| Physical - Employment rate            |      |      |      |      |      |
| Cognitive - Employment rate           |      |      |      |      |      |
| Mental/Psychosocial - Employment rate |      |      |      |      |      |
| Overall employment rate               |      |      |      |      |      |

#### IV. Additional Tables for Transition-Age Youth

**Table 3.A.1 (INSERT AGENCY ACRONYM) Supported Employment Outcomes for Transition-Age Youth - FY 2008-2012**

| Transition-Age Youth with Supported Employment Outcomes                                    | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| Supported employment outcomes  |      |      |      |      |      |
| Percent supported employment outcomes  |      |      |      |      |      |
| Average hourly wage for supported employment outcomes                                      |      |      |      |      |      |
| Average hours worked per week for supported employment outcomes                            |      |      |      |      |      |
| Competitive supported employment outcomes  |      |      |      |      |      |
| Percent competitive supported employment outcomes  |      |      |      |      |      |
| Average hourly earnings for competitive supported employment outcomes                      |      |      |      |      |      |
| Average hours worked per week for competitive supported employment outcomes                |      |      |      |      |      |
| Competitive supported employment outcomes at 35 or more hours per week                     |      |      |      |      |      |
| Percent competitive supported employment outcomes at 35 or more hours per week             |      |      |      |      |      |
| Competitive supported employment outcomes with employer-provided medical insurance         |      |      |      |      |      |
| Percent competitive supported employment outcomes with employer-provided medical insurance |      |      |      |      |      |

**Table 3.A.1 Supported Employment Outcomes for Transition-Age Youth - Formulas**

The data source for table 3.A.1 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application.

| Measure                       | Formula   |
|-------------------------------|---|
| Supported employment outcomes | Total number of individuals who exited with employment (Type of Closure = 3) in an integrated setting with supports (Employment Status at Closure = 7). |

| Measure   | Formula  |
|---|--|
| Percent Supported employment outcomes   | Total number of individuals achieving a supported employment outcome divided by the total number who exited with employment (Type of Closure = 3) multiplied by 100.   |
| Average hourly wage for supported employment outcomes                                       | Sum of the Weekly Wage at Closure for individuals who exited with a supported employment outcome / sum of the Hours Worked in a Week at Closure for individuals achieving a supported employment outcome.  |
| Average hours worked per work for supported employment outcomes                             | Sum of the hours worked in a week at closure for individuals who exited with a supported employment outcome / total number of individuals who exited with a supported employment outcome.  |
| Competitive supported employment outcomes   | Total number of individuals who exited with a supported employment outcome and whose hourly wage at closure (Weekly Wage at Closure divided by the Number of Hours Worked in a Week in at Closure) is equal to or greater than the Federal or state minimum wage whichever is higher minus .005.   |
| Percent competitive supported employment outcomes   | Total number of individuals achieving a competitive supported employment outcome divided by the total number who exited with a supported employment outcome multiplied by 100.   |
| Average hourly earnings for competitive supported employment outcomes                       | Sum of the Weekly Wage at Closure / sum of the Hours Worked in a Week at Closure for individuals achieving a competitive supported employment outcome.   |
| Average hours worked per week for competitive supported employment outcomes                 | Sum of the hours worked in a week at closure for individuals who exited with a competitive supported employment outcome / total number of individuals who exited with a competitive supported employment outcome.  |
| Competitive supported employment outcomes at 35 or more hours per week                      | Number of individuals who achieved a competitive supported employment outcome and who worked 35 or more hours in a week at closure.  |
| Percent competitive supported employment outcomes at 35 or more hours per week              | Number of individuals who achieved a competitive supported employment outcome and who worked 35 or more hours in a week at closure divided by the total number who exited with a competitive supported employment outcome multiplied by 100.   |
| Competitive supported employment outcomes meeting SGA                                       | Number of individuals who achieved a competitive supported employment outcome and whose weekly earnings at closure is equal to or greater than the monthly SGA amount as reported by SSA divided by 4.3 weeks rounded down. Use the SGA blind monthly amount for blind or visually impaired individuals, based on impairment codes 01, 02, and 08. For individuals with all other impairment codes use the non-blind SGA monthly amount. |
| Percent Competitive supported employment outcomes meeting SGA                               | Number of individuals who achieved a competitive supported employment outcome and met SGA divided by the total number of individuals who exited with a competitive supported employment outcome multiplied by 100.   |
| Competitive supported employment outcomes with employer-provided medical insurance          | Number of individuals who achieved a competitive supported employment outcome and whose medical insurance coverage at closure is private insurance through own employment.   |
| Percent Competitive supported employment outcomes with employment employer-provided medical | Number of individuals who achieved a competitive supported employment outcome with employer-provided medical insurance divided by the total number who exited with a competitive supported employment outcome multiplied by 100.   |

| Measure   | Formula |
|-----------|---------|
| insurance |         |

**Table 3.A.2 (INSERT AGENCY ACRONYM) Select VR Services Provided for Transition-Age Youth with Supported Employment Outcomes - FY 2008-2012**

| Services Provided for Transition-Age Youth with Supported Employment Outcomes | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|------|------|------|------|
| Total number of supported employment outcomes                                 |      |      |      |      |      |
| Assessment services   |      |      |      |      |      |
| Percent receiving assessment services   |      |      |      |      |      |
| Diagnosis and treatment of impairments  |      |      |      |      |      |
| Percent receiving diagnosis and treatment of impairments                      |      |      |      |      |      |
| College or university training  |      |      |      |      |      |
| Percent receiving college or university training                              |      |      |      |      |      |
| Occupational/ vocational training   |      |      |      |      |      |
| Percent receiving occupational/vocational training                            |      |      |      |      |      |
| On-the-job training   |      |      |      |      |      |
| Percent receiving on-the-job training   |      |      |      |      |      |
| Job readiness training  |      |      |      |      |      |
| Percent receiving job readiness training                                      |      |      |      |      |      |
| Disability related augmentative skills training                               |      |      |      |      |      |
| Percent receiving disability related augmentative skills training             |      |      |      |      |      |
| Miscellaneous training  |      |      |      |      |      |
| Percent receiving miscellaneous training                                      |      |      |      |      |      |
| Job search assistance   |      |      |      |      |      |
| Percent receiving job search assistance                                       |      |      |      |      |      |
| Job placement assistance  |      |      |      |      |      |
| Percent receiving job placement assistance                                    |      |      |      |      |      |
| On-the-job supports   |      |      |      |      |      |

| <b>Services Provided for Transition-Age Youth with Supported Employment Outcomes</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Percent receiving on-the-job supports  |             |             |             |             |             |
| Rehabilitation technology  |             |             |             |             |             |
| Percent receiving rehabilitation technology  |             |             |             |             |             |
| Other services   |             |             |             |             |             |
| Percent receiving other services   |             |             |             |             |             |

**Table 3.A.2 Select VR Services Provided for Transition-Age Youth with Supported Employment Outcomes - Formulas**

The data source for table 3.A.2 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. The first row contains the total number of transition-age youth closed by the agency with a supported employment outcome (type of closure equal to 3 and an employment status at closure equal to 7). To determine the number of transition-age youth with a supported employment outcome who received each of the specified services, sum the number of individuals where services provided is greater than 00. To determine the percent receiving the specified service, divide the number of transition-age youth who received the specified service by the total number of transition-age youth who achieved a supported employment multiplied by 100.

**Table 3.A.3 (INSERT AGENCY ACRONYM) Elapsed Time from Application to Eligibility for Transition-Age Youth Served - FY 2008-2012**

| <b>Elapsed time</b>                       | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| 0 – 60 days – Total served                |             |             |             |             |             |
| 0 – 60 days – Percent total served        |             |             |             |             |             |
| 61 – 90 days – Total served               |             |             |             |             |             |
| 61 – 90 days – Percent total served       |             |             |             |             |             |
| 91 – 120 days – Total served              |             |             |             |             |             |
| 91 – 120 days – Percent total served      |             |             |             |             |             |
| 121 – 180 days – Total served             |             |             |             |             |             |
| 121 – 180 days – Percent total served     |             |             |             |             |             |
| 181 – 365 days – Total served             |             |             |             |             |             |
| 181 – 365 days – Percent total served     |             |             |             |             |             |
| More than one year – Total served         |             |             |             |             |             |
| More than one year – Percent total served |             |             |             |             |             |
| Total served                              |             |             |             |             |             |

**Table 3.A.3 Elapsed Time from Application to Eligibility for Transition-Age Youth Served - Formulas**

The data source for table 3.A.3 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. Each row contains the number of transition-age youth served (type of closure equal to 3 or 4) for each of the elapsed time ranges (0 - 60 days, 61 - 90 days, 91 - 120 days, 121 - 180 days, 181 - 365 days, and more than one year). A date function is used to calculate the elapsed time from the date of application to the date of eligibility determination. The percentages are calculated by dividing the number in each range by the total served multiplied by 100.

**Table 3.A.4 (INSERT AGENCY ACRONYM) Elapsed Time from Eligibility to IPE for Transition-Age Youth Served - FY 2008-2012**

| Elapsed time                              | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|------|------|------|------|
| 0 - 3 months – Total served               |      |      |      |      |      |
| 0 - 3 months – Percent total served       |      |      |      |      |      |
| 4 - 6 months – Total served               |      |      |      |      |      |
| 4 - 6 months – Percent total served       |      |      |      |      |      |
| 7 - 9 months – Total served               |      |      |      |      |      |
| 7 - 9 months – Percent total served       |      |      |      |      |      |
| 10 - 12 months – Total served             |      |      |      |      |      |
| 10 - 12 months – Percent total served     |      |      |      |      |      |
| More than one year – Total served         |      |      |      |      |      |
| More than one year – Percent total served |      |      |      |      |      |
| Total served                              |      |      |      |      |      |

**Table 3.A.4 Elapsed Time from Eligibility to IPE for Transition-Age Youth Served - Formulas**

The data source for table 3.A.4 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. Each row contains the number of transition-age youth served (type of closure equal to 3 or 4) for each of the elapsed time ranges (0 - 3 months, 4 - 6 months, 7 - 9 months, 10 - 12 months, and more than one year). A date function is used to calculate the elapsed time from the date of eligibility determination to the date of IPE. The percentages are calculated by dividing the number in each range by the total served multiplied by 100.

**Table 3.A.5 (INSERT AGENCY ACRONYM) Elapsed Time from IPE to Closure for Transition-Age Youth Served - FY 2008-2012**

| Elapsed time                        | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------------------------|------|------|------|------|------|
| 0 - 3 months – Total served         |      |      |      |      |      |
| 0 - 3 months – Percent total served |      |      |      |      |      |

| Elapsed time                               | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| 4 - 6 months – Total served                |      |      |      |      |      |
| 4 - 6 months – Percent total served        |      |      |      |      |      |
| 7 - 9 months – Total served                |      |      |      |      |      |
| 7 - 9 months – Percent total served        |      |      |      |      |      |
| 10 - 12 months – Total served              |      |      |      |      |      |
| 10 - 12 months – Percent total served      |      |      |      |      |      |
| 13 - 24 months – Total served              |      |      |      |      |      |
| 13 - 24 months – Percent total served      |      |      |      |      |      |
| 25 - 36 months – Total served              |      |      |      |      |      |
| 25 - 36 months – Percent total served      |      |      |      |      |      |
| 37 - 60 months – Total served              |      |      |      |      |      |
| 37 - 60 months – Percent total served      |      |      |      |      |      |
| Greater than 5 years – Total served        |      |      |      |      |      |
| Greater than 5 years– Percent total served |      |      |      |      |      |
| Total served                               |      |      |      |      |      |

**Table 3.A.5 Elapsed Time from IPE to Closure for Transition-Age Youth Served - Formulas**

The data source for table 3.A.5 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. Each row contains the number of transition-age youth served (type of closure equal to 3 or 4) for each of the elapsed time ranges (0 - 3 months, 4 - 6 months, 7 - 9 months, 10 - 12 months, 13 - 24 months, 25 - 36 months, 37 - 60 months, and greater than five years). A date function is used to calculate the elapsed time from the date of IPE to date of closure. The percentages are calculated by dividing the number in each range by the total served multiplied by 100.

**Table 3.A.6 (INSERT AGENCY ACRONYM) Elapsed Time from Application to Eligibility for Transition-Age Youth Served with Supported Employment Outcomes - FY 2008-2012**

| Elapsed time  | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|------|------|------|------|
| 0 – 60 days – SE employment outcomes                  |      |      |      |      |      |
| 0 – 60 days – Percent total SE employment outcomes    |      |      |      |      |      |
| 61 – 90 days – SE employment outcomes                 |      |      |      |      |      |
| 61 – 90 days – Percent total employment outcomes      |      |      |      |      |      |
| 91 – 120 days – SE employment outcomes                |      |      |      |      |      |
| 91 – 120 days – Percent total SE employment outcomes  |      |      |      |      |      |
| 121 – 180 days – SE employment outcomes               |      |      |      |      |      |
| 121 – 180 days – Percent total SE employment outcomes |      |      |      |      |      |

| Elapsed time  | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|------|------|------|------|
| 181 – 365 days – SE employment outcomes                   |      |      |      |      |      |
| 181 – 365 days – Percent total SE employment outcomes     |      |      |      |      |      |
| More than one year – SE employment outcomes               |      |      |      |      |      |
| More than one year – Percent total SE employment outcomes |      |      |      |      |      |
| Total SE employment outcomes                              |      |      |      |      |      |

**Table 3.A.6 Elapsed Time from Application to Eligibility for Transition-Age Youth Served with Supported Employment Outcomes - Formulas**

The data source for table 3.A.6 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. Each row contains the number of transition-age youth who achieved a supported employment outcome (type of closure equal to 3 and an employment status at closure equal to 7) for each of the elapsed time ranges (0 - 60 days, 61 - 90 days, 91 - 120 days, 121 - 180 days, 181 - 365 days, and more than one year). A date function is used to calculate the elapsed time from the date of application to the date of eligibility determination. The percentage rows are calculated by dividing the number in each range by the total served multiplied by 100.

**Table 3.A.7 (INSERT AGENCY ACRONYM) Elapsed Time from Eligibility to IPE for Transition-Age Youth Served with Supported Employment Outcomes - FY 2008-2012**

| Elapsed time                                   | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| 0 - 3 months – SE outcomes                     |      |      |      |      |      |
| 0 - 3 months – Percent total SE outcomes       |      |      |      |      |      |
| 4 - 6 months – SE outcomes                     |      |      |      |      |      |
| 4 - 6 months – Percent total SE outcomes       |      |      |      |      |      |
| 7 - 9 months – SE outcomes                     |      |      |      |      |      |
| 7 - 9 months – Percent total SE outcomes       |      |      |      |      |      |
| 10 - 12 months – SE outcomes                   |      |      |      |      |      |
| 10 - 12 months – Percent total SE outcomes     |      |      |      |      |      |
| More than one year – SE outcomes               |      |      |      |      |      |
| More than one year – Percent total SE outcomes |      |      |      |      |      |
| Total SE outcomes                              |      |      |      |      |      |

**Table 3.A.7 Elapsed Time from Eligibility to IPE for Transition-Age Youth Served with Supported Employment Outcomes - Formulas**

The data source for table 3.A.7 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. Each row contains the number of transition-age youth who achieved a supported employment outcome (type of closure equal to 3 and an employment status at closure equal to 7) for each of the elapsed time ranges (0 - 3

months, 4 - 6 months, 7 - 9 months, 10 - 12 months, and more than one year). A date function is used to calculate the elapsed time from the date of eligibility determination to the date of IPE. The percentage rows are calculated by dividing the number in each range by the total served multiplied by 100.

**Table 3.A.8 (INSERT AGENCY ACRONYM) Elapsed Time from IPE to Closure for Transition-Age Youth Served with Supported Employment Outcomes - FY 2008-2012**

| Elapsed time                                    | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------|------|------|------|------|
| 0 - 3 months – SE outcomes                      |      |      |      |      |      |
| 0 - 3 months – Percent total SE outcomes        |      |      |      |      |      |
| 4 - 6 months – SE outcomes                      |      |      |      |      |      |
| 4 - 6 months – Percent total SE outcomes        |      |      |      |      |      |
| 7 - 9 months – SE outcomes                      |      |      |      |      |      |
| 7 - 9 months – Percent total SE outcomes        |      |      |      |      |      |
| 10 - 12 months – SE outcomes                    |      |      |      |      |      |
| 10 - 12 months – Percent total SE outcomes      |      |      |      |      |      |
| 13 - 24 months – SE outcomes                    |      |      |      |      |      |
| 13 - 24 months – Percent total SE outcomes      |      |      |      |      |      |
| 25 - 36 months – SE outcomes                    |      |      |      |      |      |
| 25 - 36 months – Percent total SE outcomes      |      |      |      |      |      |
| 37 - 60 months – SE outcomes                    |      |      |      |      |      |
| 37 - 60 months – Percent total SE outcomes      |      |      |      |      |      |
| Greater than 5 years – SE outcomes              |      |      |      |      |      |
| Greater than 5 years– Percent total SE outcomes |      |      |      |      |      |
| Total SE outcomes                               |      |      |      |      |      |

**Table 3.A.8 Elapsed Time from IPE to Closure for Transition-Age Youth Served with Supported Employment Outcomes - Formulas**

The data source for table 3.A.8 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. Each row contains the number of transition-age youth who achieved a supported employment outcome (type of closure equal to 3 and an employment status at closure equal to 7) for each of the elapsed time ranges (0 - 3 months, 4 - 6 months, 7 - 9 months, 10 - 12 months, 13 - 24 months, 25 - 36 months, 37 - 60 months, and greater than five years). A date function is used to calculate the elapsed time from the date of IPE to the date of closure. The percentage rows are calculated by dividing the number in each range by the total served multiplied by 100.

**Table 3.A.9 (INSERT AGENCY ACRONYM) Standard Occupational Classification (SOC) Codes for Transition-Age Youth with Employment Outcomes - FY 2008-2012**

| Occupational Category                    | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| Architecture and Engineering Occupations |      |      |      |      |      |



| <b>Occupational Category</b>   | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Percent in Architecture and Engineering Occupations                      |             |             |             |             |             |
| Average hourly wage for Architecture and Engineering Occupations         |             |             |             |             |             |
| Arts, Design, Entertainment, Sports, and Media                           |             |             |             |             |             |
| Percent in Arts, Design, Entertainment, Sports, and Media                |             |             |             |             |             |
| Average hourly wage for Arts, Design, Entertainment, Sports, and Media   |             |             |             |             |             |
| Building and Grounds Cleaning and Maintenance                            |             |             |             |             |             |
| Percent in Building and Grounds Cleaning and Maintenance                 |             |             |             |             |             |
| Average hourly wage for Building and Grounds Cleaning and Maintenance    |             |             |             |             |             |
| Business and Financial Operations Occupations                            |             |             |             |             |             |
| Percent in Business and Financial Operations Occupations                 |             |             |             |             |             |
| Average hourly wage for Business and Financial Operations Occupations    |             |             |             |             |             |
| Community and Social Services Occupations                                |             |             |             |             |             |
| Percent in Community and Social Services Occupations                     |             |             |             |             |             |
| Average hourly wage for Community and Social Services Occupations        |             |             |             |             |             |
| Computer and Mathematical Occupations                                    |             |             |             |             |             |
| Percent in Computer and Mathematical Occupations                         |             |             |             |             |             |
| Average hourly wage for Computer and Mathematical Occupations            |             |             |             |             |             |
| Constructive and Extraction Occupations                                  |             |             |             |             |             |
| Percent in Constructive and Extraction Occupations                       |             |             |             |             |             |
| Average hourly wage for Constructive and Extraction Occupations          |             |             |             |             |             |
| Education, Training, and Library Occupations                             |             |             |             |             |             |
| Percent in Education, Training, and Library Occupations                  |             |             |             |             |             |
| Average hourly wage for Education, Training, and Library Occupations     |             |             |             |             |             |
| Farming, Fishing, and Forestry Occupations                               |             |             |             |             |             |
| Percent in Farming, Fishing, and Forestry Occupations                    |             |             |             |             |             |
| Average hourly wage for Farming, Fishing, and Forestry Occupations       |             |             |             |             |             |
| Food Preparation and Serving Related Occupations                         |             |             |             |             |             |
| Percent in Food Preparation and Serving Related Occupations              |             |             |             |             |             |
| Average hourly wage for Food Preparation and Serving Related Occupations |             |             |             |             |             |
| Healthcare Practitioners and Technical Occupations                       |             |             |             |             |             |

| <b>Occupational Category</b>   | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Percent in Healthcare Practitioners and Technical Occupations              |             |             |             |             |             |
| Average hourly wage for Healthcare Practitioners and Technical Occupations |             |             |             |             |             |
| Healthcare Support Occupations   |             |             |             |             |             |
| Percent in Healthcare Support Occupations                                  |             |             |             |             |             |
| Average hourly wage for Healthcare Support Occupations                     |             |             |             |             |             |
| Homemaker  |             |             |             |             |             |
| Percent closed as Homemaker  |             |             |             |             |             |
| Average hourly wage for Homemaker  |             |             |             |             |             |
| Installation, Maintenance, and Repair Occupations                          |             |             |             |             |             |
| Percent in Installation, Maintenance, and Repair Occupations               |             |             |             |             |             |
| Average hourly wage for Installation, Maintenance, and Repair Occupations  |             |             |             |             |             |
| Legal Occupations  |             |             |             |             |             |
| Percent in Legal Occupations   |             |             |             |             |             |
| Average hourly wage for Legal Occupations                                  |             |             |             |             |             |
| Life, Physical, and Social Science Occupations                             |             |             |             |             |             |
| Percent in Life, Physical, and Social Science Occupations                  |             |             |             |             |             |
| Average hourly wage for Life, Physical, and Social Science Occupations     |             |             |             |             |             |
| Management Occupations   |             |             |             |             |             |
| Percent in Management Occupations  |             |             |             |             |             |
| Average hourly wage for Management Occupations                             |             |             |             |             |             |
| Military Specific Occupations  |             |             |             |             |             |
| Percent in Military Specific Occupations                                   |             |             |             |             |             |
| Average hourly wage for Military Specific Occupations                      |             |             |             |             |             |
| Office and Administrative Support Occupations                              |             |             |             |             |             |
| Percent in Office and Administrative Support Occupations                   |             |             |             |             |             |
| Average hourly wage for Office and Administrative Support Occupations      |             |             |             |             |             |
| Personal Care and Service Occupations                                      |             |             |             |             |             |
| Percent in Personal Care and Service Occupations                           |             |             |             |             |             |
| Average hourly wage for Personal Care and Service Occupations              |             |             |             |             |             |
| Production Occupations   |             |             |             |             |             |
| Percent in Production Occupations  |             |             |             |             |             |
| Average hourly wage for Production Occupations                             |             |             |             |             |             |
| Protective Service Occupations   |             |             |             |             |             |
| Percent in Protective Service Occupations                                  |             |             |             |             |             |

| Occupational Category  | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|
| Average hourly wage for Protective Service Occupations                 |      |      |      |      |      |
| Randolph-Sheppard vending facility clerk                               |      |      |      |      |      |
| Percent closed as Randolph-Sheppard vending facility clerk             |      |      |      |      |      |
| Average hourly wage for Randolph-Sheppard vending facility clerk       |      |      |      |      |      |
| Randolph-Sheppard vending facility operator                            |      |      |      |      |      |
| Percent closed as Randolph-Sheppard vending facility operator          |      |      |      |      |      |
| Average hourly wage for Randolph-Sheppard vending facility operator    |      |      |      |      |      |
| Sales and Related Occupations  |      |      |      |      |      |
| Percent in Sales and Related Occupations                               |      |      |      |      |      |
| Average hourly wage for Sales and Related Occupations                  |      |      |      |      |      |
| Transportation and Material Moving Occupations                         |      |      |      |      |      |
| Percent in Transportation and Material Moving Occupations              |      |      |      |      |      |
| Average hourly wage for Transportation and Material Moving Occupations |      |      |      |      |      |
| Unpaid Family Worker   |      |      |      |      |      |
| Percent closed as Unpaid Family Worker                                 |      |      |      |      |      |
| Average hourly wage for Unpaid Family Worker                           |      |      |      |      |      |
| Total Employment Outcomes  |      |      |      |      |      |
| Percent of Total Employment Outcomes                                   |      |      |      |      |      |
| Average hourly wage for Total employment outcomes                      |      |      |      |      |      |

**Table 3.A.9 Standard Occupational Classification (SOC) Codes for Transition-Age Youth with Employment Outcomes - Formulas**

The data source for table 3.A.9 is the RSA-911. Transition-age youth are defined as individuals who are between the ages of 14 and 24 at the time of application. For each occupational category, the table shows the number of transition-age youth who achieved an employment outcome (type of closure equals 3), the percentage of the total employment outcomes (number of employment outcomes for each occupational category divided by the total number of employment outcomes), and the average hourly wage at closure (weekly earnings at closure divided by the number of hours worked in a week at closure) for each of the occupational categories listed. The average hourly wage (sum of the weekly earnings at closure divided by the sum of the number of hours worked in a week at closure) for all of the transition-age youth who achieved an employment outcome is shown at the bottom.